

## **MontLake UCITS Platform ICAV**

An umbrella open-ended Irish collective asset-management vehicle with segregated liability between sub-funds ("**Funds**") formed in Ireland under the Irish Collective Asset-management Vehicles Act 2015 and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations

**MLC Management Limited**

### **PROSPECTUS**

**This Prospectus may not be distributed unless accompanied by, and must be read in conjunction with, the Supplement for the Shares of the Fund being offered.**

Dated 27 April 2018

---

## Index

---

Important Information .....	1
Summary .....	4
Investment Objectives and Policies .....	5
Special Considerations and Risk Factors .....	7
Borrowing Policy.....	21
Investing in Shares.....	22
Dividend Policy.....	32
Fees and Expenses.....	34
Determination of Net Asset Value .....	38
Temporary Suspension of Dealings.....	41
Termination of Funds .....	42
Taxation.....	43
The ICAV .....	55
General Information.....	62
Definitions .....	68
Appendix I Recognised Markets .....	76
Appendix II Securities Financing Transactions .....	81
Appendix III Use of Derivatives .....	85
Appendix IV Investment Restrictions .....	88
Appendix V The Depositary's Sub-Custodians .....	93
Directory .....	100

---

## Important Information

---

Capitalised words and expressions are defined in the body of this Prospectus or under "Definitions" below.

### **Responsibility**

The Directors (whose names appear under the heading "The ICAV" below), accept responsibility for the information contained in this Prospectus and each Relevant Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus (as complemented, modified or supplemented by the Relevant Supplement), when read together with the Relevant Supplement, is in accordance with the facts as at the date of the Prospectus and does not omit anything likely to affect the import of such information.

### **This Prospectus**

In deciding whether to invest in the ICAV, investors should rely on information in this Prospectus, the relevant KIID and the relevant Fund's most recent annual and/or semi-annual reports.

Each Class that is available for subscription will have a KIID issued in accordance with the Central Bank Rules. Prospective investors should consider the KIID for the relevant Class prior to subscribing for Shares in that Class in order to assist them in making an informed investment decision. While some Classes are described in the Supplement for the relevant Fund as available, these Classes may not currently be offered for subscription and in that event a KIID may not be available. Prospective investors should contact the Manager directly to determine whether the relevant Class is available for subscription.

Each Fund must calculate and disclose in the relevant KIID a Synthetic Risk and Reward Indicator or SRRI, in accordance with the methodology prescribed in the European Securities and Markets Authority's Guidelines on the Methodology for the Calculation of the SRRI. The SRRI will correspond to a number designed to rank the relevant Fund over a scale from 1 to 7 based on levels of volatility experienced or permitted in the Fund, with 1 the lowest and 7 the highest level on the scale.

Because the Prospectus and KIID may be updated from time to time, investors should make sure they have the most recent versions.

Statements made in this Prospectus are based on the law and practice in force in the Republic of Ireland at the date of this Prospectus, which may be subject to change. This Prospectus will be updated to take into account material changes to the ICAV or the Funds from time to time and any such amendments will be notified in advance to and cleared by the Central Bank.

**If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the ICAV or the suitability for you of investing in the ICAV, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.**

**None of the ICAV, the Manager or any Investment Manager shall be liable to investors (or to any other person) for any error of judgement in the selection of a Fund's investments.**

This Prospectus and any contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with Irish law. With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with this Prospectus (including any contractual obligations arising out of or in connection with it), each party irrevocably submits to the jurisdiction of the Irish courts.

Shareholders should note that the Instrument of Incorporation permits the ICAV to impose a subscription fee of up to a maximum of 5% of the Net Asset Value per Share to purchases. A redemption fee of up to 3% may also be chargeable. In the event that such charges are imposed the difference at any time between the sale and repurchase price of Shares means that any investment in the ICAV should be viewed as being in the medium to long term. Prices of Shares in the ICAV may fall as well as rise.

Shareholders should note that for Funds that have a policy of making regular distributions of income to Shareholders, dividends may be paid out of the capital of a Fund in order to maintain a target level of distributions to Shareholders. There is a risk that the capital of the Fund may be eroded and that the distributions will be achieved by foregoing the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard.

Shareholders should also note that the fees and expenses of a Fund may also be charged to the capital of a Fund. This will have the effect of lowering the capital value of your investment.

#### **Central Bank Authorisation**

The ICAV is authorised in Ireland by the Central Bank as an undertaking for collective investment in transferable securities pursuant to the UCITS Regulations. This authorisation however, does not constitute a warranty by the Central Bank as to the performance of the ICAV and the Central Bank shall not be liable for the performance or default of the ICAV. Authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.

Shares representing interests in different Funds may be issued from time to time by the Directors. Shares of more than one Class may be issued in relation to a Fund. All Shares of each Class will rank *pari passu* save as provided for in the Relevant Supplement. On the introduction of any new Fund (for which prior Central Bank approval is required) or any new Class of Shares (which must be issued in accordance with the Central Bank Rules), the ICAV and the Manager will prepare and the Directors will issue a Supplement setting out the relevant details of each such Fund or new Class of Shares. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each Class of Shares) and will be invested in accordance with the investment objective and policy applicable to such Fund. Particulars relating to individual Funds and the Classes of Shares available therein are set out in the Relevant Supplement.

The segregated liability between the Funds of the ICAV means that any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

#### **Notice to Intermediaries in the European Union**

The Directors of the ICAV have been advised that, as the ICAV is a UCITS, shares in the Funds are treated as non-complex financial instruments for the purposes of the Markets in Financial Instruments Directive and its associated regulations, and as such, where appropriate and in the absence of any other regulatory requirements to the contrary, shares in the Funds may be sold in the European Union on an execution only basis.

#### **Distribution and Selling Restrictions**

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully so receive it. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

The ICAV may reject any application in whole or in part without giving any reason for such rejection in which event the subscription monies or any balance thereof will be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's risk. For further details, please refer to the section of this Prospectus entitled "Investing in Shares".

This Prospectus may be translated into other languages, provided that it is a direct translation of the English version. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail except to the extent (and only to the extent) that the law of Switzerland requires that the legal relationship between the ICAV and investors in Switzerland shall be governed by the German language version of the Prospectus as filed with the Swiss regulator. All disputes as to the terms thereof, regardless of the language version, shall be governed by, and construed in accordance with, the law of Ireland.

#### *United States of America*

None of the Shares have been, nor will be, registered under the United States Securities Act of 1933 (the "1933 Act") and, except in a transaction which does not violate the 1933 Act or any other applicable United States securities laws (including without limitation any applicable law of any of the states or territories of the United States), none of the Shares may be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a U.S. Person. Neither the ICAV nor any Fund will be registered under the United States Investment Company Act of 1940.

Notwithstanding the foregoing prohibition on offers and sales in the United States or to or for the benefit of U.S. Persons, the ICAV may make a private placement of its Shares to a limited number or category of U.S. Persons.

#### **Investment Risks**

Investment risk factors for an investor to consider are set out under "**Special Considerations and Risk Factors**" below.

Investment in the ICAV carries with it a degree of risk. The value of Shares and the income from them may go down as well as up, and investors may not get back the amount invested. Past performance is no indicator of future performance and is no guarantee for future returns. Investment risks from market and currency losses cannot be excluded. **Investors should note that an investment in the Funds should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should note that the difference at any one time between the subscription price and redemption price of Shares in the ICAV means that the investment should be viewed as medium to long term. Funds may invest in Derivatives for investment purposes and for hedging purposes. Investors should note that Funds may invest principally in Derivatives. This may expose Funds to particular risks involving Derivatives. Please refer to "Derivatives Risk" under "Special Considerations and Risk Factors" below.**

---

## Summary

---

The following summary is qualified in its entirety by the more detailed information included elsewhere in this Prospectus and the Supplements. A full description of the investment objectives and policies of each Fund is contained under "**Investment Objectives and Policies**" in the Relevant Supplement.

### **Purchase, Redemption and Exchange of Shares**

Subscription and redemption requests for Shares may be made on any Dealing Day. In the case of each Fund the relevant Dealing Days will be specified in the Relevant Supplement. In addition, requests may be made on any Dealing Day for the exchange of Shares of any Class in any Fund for Shares of the same Class of any other Fund. In addition, Directors reserve the right compulsorily to exchange Shares of one Class for those of another Class.

### **Fees and Expenses**

The assets of each of the Funds are subject to fees and expenses, including management, depositary and administration and advisory fees, as well as organisational expenses. These fees will be reflected in the Net Asset Value of each Fund. See "**Fees and Expenses**" below and additional information regarding fees and expenses of each Fund contained in the Relevant Supplement.

---

## Investment Objectives and Policies

---

The ICAV has been established for the purpose of investing in transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State; money market instruments, as defined in the Central Bank Rules, other than those dealt on a regulated market; units of UCITS and AIFs (in accordance with the Central Bank Rules); deposits with credit institutions (as prescribed in the Central Bank Rules); and financial indices and Derivatives as prescribed in the Central Bank Rules. The investment objective and policies for each Fund will be formulated by the Directors at the time of creation of such Fund and will be set out in the Relevant Supplement.

The Funds will invest in transferable securities and other liquid assets listed or traded on Recognised Markets and, to the limited extent specified in the Relevant Supplement, in units or shares of other investment funds, all in accordance with the investment restrictions described in Appendix IV "**Investment Restrictions**" and subject to the market limits specified in the Instrument of Incorporation. It is intended that the ICAV shall have the power (subject to the prior approval of the Central Bank) to avail itself of any change in the investment and borrowing restrictions specified in the UCITS Regulations which would permit investment by a Fund in securities, Derivatives or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations. Any changes to the investment or borrowing restrictions will be disclosed in an updated Prospectus and the Relevant Supplement.

In addition, and to the extent only that the Manager or relevant Investment Managers deem consistent with the investment policies of the Funds, the Funds may use the investment techniques and instruments described in Appendix II for the purposes of efficient portfolio management. To the extent only that the Manager or relevant Investment Managers deem consistent with the investment policies of the Funds, and in accordance with the Central Bank Rules, the Funds may also utilise Derivatives for investment or hedging purposes as set out in Appendix III.

Each Fund may invest in other open ended collective investment schemes in accordance with the Central Bank Rules. The Manager or relevant Investment Manager will only invest in closed ended collective investment schemes where it believes that such investment will not prohibit the Fund from providing the level of liquidity to Shareholders referred to in this Prospectus and the Relevant Supplements.

Where it is appropriate to its investment objective and policies a Fund may also invest in other Funds of this ICAV. A Fund may only invest in another Fund of this ICAV if the Fund in which it is investing does not itself hold Shares in any other Fund of this ICAV. Any commission received by the Manager or Investment Manager in respect of such investment will be paid into the assets of the Fund. In order to avoid double-charging of management or any performance fees when a Fund (the "**Investing Fund**") is invested in another Fund (the "**Receiving Fund**"), the rate of the management fee or performance fee which Shareholders in the Investing Fund are charged in respect of the portion of the Investing Fund's assets invested in the Receiving Fund (whether such fee is paid directly at Investing Fund level, indirectly at the Receiving Fund level or a combination of both) shall not exceed the rate of the maximum management fee or performance fee which Shareholders in the Investing Fund may be charged in respect of the balance of the Investing Fund's assets. No subscription, conversion or redemption fees will be charged on any such cross investments by a Fund.

Each Fund that may invest in China may do so through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect ("**China Connect**") schemes. The China Connect schemes are securities trading and clearing programmes developed by The Stock Exchange of

Hong Kong Limited ("**SEHK**"), the Shanghai Stock Exchange and Shenzhen Stock Exchange respectively (each the "**SSE**" as the context requires), Hong Kong Securities Clearing Company Limited ("**HKSCC**") and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**") for the establishment of mutual market access between SEHK and SSE. Each Fund may trade and settle equity securities listed on the SSE through the SEHK and HKSCC trading link.

### **Use of Indices**

A Fund may use indices for certain purposes where indicated in the Relevant Supplement. Index use will generally fall into one of the following categories:

- A Fund may invest in securities or Derivatives which are designed to reproduce the performance of an index, examples of which may be given in the Relevant Supplement;
- A Fund may have the outperformance of a specified index as part of its investment objective;
- The investment policy of a Fund may be to invest in securities or other investments which are included in one or more specified indices;
- A Fund may be required to outperform a particular index before paying a performance fee;
- The Derivatives exposure of a Fund may be subject to a limit defined in terms of a multiple of the Value at Risk measure of an index.

Should an index identified in a Relevant Supplement cease to be published or otherwise become unavailable or unsuitable for use by a Fund for its intended purpose, the Manager will select another index as a replacement, notifying or seeking approval from Shareholders as appropriate. The Manager maintains a written policy as required by the benchmark Regulation for this purpose.

### **Changes in Investment Objective and Policies**

The investment objective of a Fund may not be altered, and material changes to the investment policy of a Fund may not be made, without prior approval of Shareholders on the basis of (i) a majority of votes cast at a meeting of the Shareholders of the particular Fund duly convened and held or (ii) with the prior written approval of all Shareholders of the relevant Fund. In the event of a change of the investment objective or a material change in the investment policy of a Fund by way of a majority of votes cast at a meeting of the relevant Shareholders, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them to repurchase their Shares prior to its implementation.

---

## Special Considerations and Risk Factors

---

Investment in the Funds carries with it a degree of risk including, but not limited to, the risks referred to below. While there are some risks that may be common to a number or all of the Funds, there may also be specific risk considerations not set out below which apply to particular Funds in which case such risks will be specified in the Relevant Supplement for that Fund. The investment risks described below are not purported to be exhaustive and potential investors should review this Prospectus and the Relevant Supplement(s) in their entirety, and consult with their professional advisers, before purchasing Shares.

### General Investment Risk

The securities and instruments in which the Funds invest are subject to normal market fluctuations and other risks inherent in investing in such investments, and there can be no assurance that a Fund will achieve its investment objective, that any appreciation in value will occur or that a Shareholder will get back the amount invested upon redemption.

The investment income of each Fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, the Fund's investment income may be expected to fluctuate in response to changes in such expenses or income. Certain Funds may also have as a priority the generation of income rather than capital. Investors should note that the focus on income and the charging of investment management fees and any other fees to capital may erode capital and diminish the Fund's ability to sustain future capital growth. In this regard, distributions made during the life of the Fund should be understood as a type of capital reimbursement.

Prospective investors should note that a Fund's investment policies may not be able to be fully implemented or complied with during the launch and wind-down phase of a Fund when initial investment positions are being established or final positions are being liquidated, as relevant. In addition, in respect of the launch phase of a Fund, the Central Bank permits a Fund to derogate from certain of the UCITS Regulations for six (6) months from the date of its authorisation, provided that the Fund still observes the principle of risk spreading, and during this period, the investment policy of the Fund set out in the Relevant Supplement will be applied in accordance with this derogation.

As a consequence, Shareholders may be exposed to different types of investment risk and may receive a return that is different to the return that would have been received if full compliance with the relevant investment policies and the UCITS Regulations had been maintained (noting that there can be no assurance that any Fund will achieve its investment objective) during the launch or wind-down phase of a Fund.

In accordance with the terms of this Prospectus and the Instrument of Incorporation, Shareholders will be notified in advance of a Fund being wound down.

### Currency Risk and Interest Rate Risk

*Currency Exchange Rates:* Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Fund's Net Asset Value to fluctuate as well. Currency exchange rates generally are determined by the forces of supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or anticipated changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates also can be affected unpredictably by intervention or failure to intervene by governments or central banks or by currency controls or political developments throughout the world. To the extent that a substantial portion of a Fund's total assets, adjusted to reflect a Fund's net position after giving effect to currency transactions, is

denominated in the currencies of particular countries, the Fund will be more susceptible to the risk of adverse economic and political developments within those countries.

*Currency of Assets/Base Currency:* Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. The Fund may (but is not obliged to) seek to mitigate this exchange rate risk by using Derivatives. No assurance, however, can be given that such mitigation will be successful.

*Foreign Exchange Transactions:* In addition to the above, depending on the investment policy set out in the Relevant Supplement, a Fund may use Derivatives to alter the currency exposure characteristics of assets or liabilities held by the Fund, introducing an additional element of foreign currency exposure into the Fund. As a result, influence of movements in foreign exchange rates on the performance of the Fund may be greatly increased because currency positions held by the Fund may not correspond with the securities positions held.

*Base Currency/Denominated Currency of Classes:* Classes of Shares in a Fund may be denominated in currencies other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the denominated currency of the Class may lead to a depreciation of the value of the investor's holding. In cases where the Class is hedged, no assurance can be given that such mitigation will be successful.

### **Collateral Risk**

Collateral or margin may be passed by a Fund to an Approved Counterparty, exchange, central clearing counterparty or broker in respect of Derivative transactions. Assets deposited as collateral or margin may not be held in segregated accounts, or where segregated, the account may be an omnibus account representing collateral or margin deposited by a number of clients or counterparties of the entity involved. If not separately identifiable as the assets of the Fund, assets deposited by or on behalf of the Fund in such accounts may become available to the creditors of the entity or its other clients and counterparties in the event of their insolvency or bankruptcy and cause loss to the Fund. In addition, where collateral is posted to an Approved Counterparty or broker by way of title transfer, the collateral may be re-used by such Approved Counterparty or broker for their own purposes, thus exposing the Fund to additional risk.

### **Investing in Fixed Income Securities Risk**

The prices of fixed income securities fluctuate in response to perceptions of the issuer's creditworthiness and also tend to vary inversely with market interest rates. The value of such securities is likely to decline in times of rising interest rates. Conversely, when rates fall, the value of these investments is likely to rise. Typically, the longer the time to maturity the greater are such variations.

A Fund investing in fixed income securities will be subject to credit risk (i.e. the risk that the value of a security will suffer because investors believe the issuer is less able or willing to pay principal and interest when due). This is broadly gauged by the credit ratings of the securities in which a Fund invests. However, ratings are only the opinions of the agencies issuing them and are not absolute guarantees as to quality.

Not all government securities are backed by the relevant national government. Some are backed only by the credit of the issuing agency or instrumentality. Accordingly, there is at least a chance of default on these government securities in which the Funds may invest, which may subject a Fund to additional credit risk.

To the extent a Fund invests in medium or low-rated securities and unrated securities of comparable quality, especially those rated below what is often referred to as investment grade (BBB- or its equivalent), the Fund may realise a higher current yield than the yield offered by higher-rated securities, but investment in such securities involves greater volatility of price and risk of loss of income and principal, including the possibility of default by or bankruptcy of the

issuers of such securities. Lower rated debt instruments may also be unsecured or subordinated to the payment of more senior debt instruments.

Low-rated and comparable unrated securities may come with relatively greater uncertainty as to repayment or greater vulnerability to adverse conditions, to the extent they may be viewed as predominantly speculative with respect to an issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation.

When economic conditions appear to be deteriorating, these medium or low-rated securities may decline in value more quickly, especially if the issuer is highly leveraged, due to heightened concern over credit quality, regardless of the prevailing interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities are not generally meant for short-term investing.

### **Derivatives Risk**

*General:* Derivatives (futures, options, swaps, contracts for difference and forward contracts) may be used as a means of gaining indirect exposure to a specific asset, rate or index or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Use of Derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the Derivative may not correlate perfectly with the underlying asset, rate or index.

Investing in a derivative could cause the Fund to lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

The prices of Derivatives can be highly volatile. Price movements of derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, national and international political and economic events, changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rates. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of Derivatives also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates; (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged; (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities; and (4) the possible absence of a liquid market for any particular instrument at any particular time.

*Derivatives and short selling:* Derivatives may also be used by a Fund to create short exposures to the assets underlying the derivative (UCITS are not permitted to engage in short selling a security directly). Short selling may benefit a Fund by hedging against other exposures or else may be used to take outright exposure to an asset which is expected to depreciate in value, generating a profit for the Fund.

In addition to the other risks associated with Derivatives, this type of synthetic short position may potentially give rise to unlimited losses, depending on the nature of the derivative contract involved and whether there are other offsetting exposures in the Fund, as there would typically be in the case of a short position taken out as a hedge for example.

Short selling also carries with it the risk that the Fund may have to close out a position prematurely, for example if the cost of maintaining the position becomes significantly greater than anticipated because of upwards price movements in the underlying asset or increases in the fees or the amount of the deposit or security the Fund is required to leave with the counterparty to the contract to guarantee the Fund's performance of its obligations under the contract. This

premature closing out may mean the Fund experiences losses on the position, even if ultimately it would have been profitable if held to the intended point in time.

*Complex derivatives:* The risk factors above apply equally to what are regarded as more complex OTC derivatives, such as exotic or path-dependent options and variance or volatility swaps. As with all OTC transactions (see **Credit and Counterparty Risk** below), the counterparties are free to agree terms for each transaction that can vary from the relatively simple and straightforward to the more complex and transaction-specific. At the upper end of the complexity scale, this can lead to difficulties in pricing and modelling of the behaviour of these transactions, potentially leading to unpredictable outcomes and unexpected losses. Most derivatives allow for the possibility of generating leverage in a portfolio, but the fact that relatively small changes in market volatility can cause very significant changes in the value of volatility-based derivatives potentially magnifies the impact of this leverage effect where such derivatives are used. As such, while volatility-based derivatives can be valuable tools in hedging against or managing portfolio risk, they are often viewed as a specialist area even amongst investment professionals and should be treated with care.

Similarly, the binary nature of path-dependent options means that, depending on the nature of the option and the amount of leverage employed, values can switch suddenly from zero to potentially large amounts and vice-versa, with little graduation in between.

As such, while volatility-based derivatives and exotic options can be valuable tools in hedging against or managing portfolio risk, the risk of loss from such derivatives can be more difficult to predict or control, and may be significant to an investment portfolio.

### **Leverage Risk**

A Fund may use Derivatives to engage in leverage for investment purposes or as part of a hedging strategy, as will be outlined in the Relevant Supplement, if applicable. The use of leverage creates special risks and may significantly increase the Fund's investment risk. Leverage will create an opportunity for greater yield and total return but, at the same time, will increase the Fund's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the Net Asset Value of the Shares to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value of the Shares may decrease more rapidly than would otherwise be the case.

Since many Derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain Derivatives have the potential for unlimited loss regardless of the size of the initial investment. If there is default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered.

### **Short Selling Regulatory Considerations**

Short selling activity may be subject to additional market regulation which may restrict the ability of a Fund to open or close out short positions, or which may require the Fund to provide notifications of open positions in the markets on which such activity is undertaken. Notifications may constitute private notifications to the relevant competent authority or public disclosure where information on net short positions notified will be available to the public. Compliance may represent a significant administrative burden or cost for the ICAV, while failure to adhere to these notification and disclosure requirements could result in losses to the ICAV or expose it to regulatory action. In addition, public disclosure of short positions could enable other market participants to take advantage of their knowledge of the Fund's positioning to the detriment of the Fund.

## **Credit and Counterparty Risk**

In general, there is less government regulation and supervision of transactions in the OTC markets (in which forward contracts, spot currency and option contracts, contracts for difference and swaps are generally traded) than of transactions entered into on recognised exchanges (as referred to in the Prospectus). OTC Derivatives lack transparency as they are privately negotiated contracts and any information concerning them is usually only available to the contracting parties. While measures have been introduced under Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC Derivatives, central counterparties and trade repositories ("**EMIR**") that aim to mitigate risks involved in investing in OTC Derivatives and improve transparency, these types of investments continue to present challenges in clearly understanding the nature and level of risks involved. In addition, many of the protections afforded to participants on some recognised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions.

The counterparty for an OTC Derivative will be the specific firm involved in the transaction rather than a recognised exchange and accordingly the bankruptcy or default of a counterparty with which the Fund trades OTC Derivatives could result in substantial losses to the Fund. In addition, a counterparty may refrain from settling a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Funds will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in derivative instruments. While counterparty exposure will be limited by the Fund's investment restrictions, to the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

## **Securities Financing Transaction Risk**

The use of Securities Financing Transactions may result in greater returns but may entail greater risk for your investment. Securities Financing Transactions create several risks for the ICAV and its investors, including counterparty risk if the counterparty to a Securities Financing Transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Fund and liquidity risk if the Fund is unable to liquidate collateral provided to it to cover a counterparty default.

Investors should be aware that from time to time, a Fund may engage in Securities Financing Transactions with counterparties or agents that are related parties to the Depositary or other service providers of the ICAV. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. Please refer to the Conflicts of Interest section under General Information for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the ICAV and the relevant Fund's semi-annual and annual reports.

Investors should also be aware that in the absence of regulatory guidance or a developed market practice which requires contracts for difference ("**CFDs**") to be treated as total return swaps for the purposes of SFTR, the ICAV has not included any SFTR disclosures in this Prospectus or a Relevant Supplement in respect of Derivatives that the ICAV regards as being a CFD. In the event that such regulatory guidance or developed market practice emerges, this Prospectus and any Relevant Supplement will be updated to address the disclosure requirements of SFTR.

## **Exchange Control and Repatriation Risk**

It may not be possible for Funds to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. Funds could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

### **Liquidity Risk**

Not all securities or instruments invested in by the Funds will be listed or rated and consequently liquidity may be low. Liquidity conditions may also vary even for securities which are publicly traded. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Funds may also encounter difficulties in disposing of assets at their fair price when adverse market conditions lead to limited liquidity.

Specifically, US Rule 144A Securities may be less liquid than other publicly traded securities, and a Fund may take longer to liquidate these positions than would be the case for publicly traded securities, which may result in substantial losses. Although these securities may be resold in privately negotiated transactions, the prices realised from these sales could be less than those originally paid by a Fund.

Further, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. A Fund's investment in illiquid securities is subject to the risk that should the Fund desire to sell any of these securities when a ready buyer is not available at a price that is deemed to be representative of their value, the Net Asset Value of the Fund could be adversely affected.

### **Tax Risks**

Even where a Fund invests in assets that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund may not be able to recover such withheld tax and so any change may have an adverse effect on the Net Asset Value of the Shares.

The ICAV is also subject to tax obligations relating to its investors in various countries, such as under the US FATCA regime or the CRS requirements adopted in the European Union. Although the ICAV will attempt to satisfy any obligations imposed on it, no assurance can be given that the ICAV will be able to satisfy these obligations. In order to satisfy these obligations, the ICAV will typically require certain information from investors in respect of their tax status, which means compliance by the ICAV is dependent on the co-operation of the shareholders in the ICAV. If the ICAV becomes subject to withholding tax or penalties because of a failure to comply with the tax requirements in a particular country, the value of the Shares held by all Shareholders may be materially affected.

The attention of potential investors is also drawn to the taxation risks associated with investing in the ICAV. Please refer to the section of this Prospectus entitled "**Taxation**".

### **"Delayed Delivery" and "When Issued" Securities**

Subject to the investment restrictions, a Fund may contract to purchase debt obligations which have yet to be issued, but which will be issued in the future at a stated price and yield, on a "delayed delivery" or "when-issued" basis, that is, for delivery to the Fund later than the normal settlement date for such securities. Such securities are termed "delayed delivery" when traded in the secondary market, or "when-issued" in the case of an initial issue of securities. The Fund generally would not pay for such securities or start earning interest on them until they are received. However, when the Fund undertakes a delayed delivery or when-issued purchase obligation, it immediately assumes the risk of ownership, including the risk of price fluctuation.

Failure by the issuer to deliver the securities may result in a loss or missed opportunity for the Fund to make an alternative investment.

### **Emerging Markets Risk**

Where a Fund invests in securities in emerging markets, additional risks may be encountered. These include:

*Accounting Standards:* in emerging markets there is an absence of uniform accounting, auditing and financial reporting standards and practices.

*Business Risks:* in some emerging markets, crime and corruption, including extortion and fraud, pose a particular risk to businesses. Property and employees of underlying investments may become targets of theft, violence and/or extortion.

*Country Risk:* the value of the Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

*Currency Risk:* the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

*Custody Risk:* custodians may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian. As some of the Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Custodian will have no liability. Rules regulating corporate governance are undeveloped and therefore may offer little protection to shareholders.

*Disclosure:* less complete and reliable fiscal and other information may be available to investors.

*Legal:* the legal infrastructure in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Risks associated with many emerging market legal systems include (i) inexperience and lack of independence of the judiciary; (ii) inconsistencies among laws, presidential decrees and governmental and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; and (v) the unpredictability of enforcement of foreign judgements and foreign arbitration awards.

*Market Characteristics/ Liquidity and Settlement Risks:* in general, emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and many emerging markets are not highly regulated. When seeking to sell emerging market securities, little or no market may exist for the securities. The combination of price volatility and the less liquid nature of securities markets in emerging markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund. Settlement of transactions may be subject to delay and administrative uncertainties.

*Political Risk:* the risk of government intervention is particularly high in the emerging markets because of both the political climate in many of these countries and the less developed character of their markets and economies. Government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the value of securities in a Fund's portfolio.

*Tax:* The taxation system in some emerging market countries is subject to varying interpretations, frequent changes and inconsistent enforcement at the federal, regional and local levels. Tax laws and practices in some emerging market countries are at an initial stage of development and are not as clearly established as in more developed countries.

*Frontier Markets Risk:* Investing in the securities of issuers operating in frontier emerging markets carries a high degree of risk and special considerations not typically associated with investing in more traditional developed markets. In addition, the risks associated with investing in the securities of issuers operating in emerging market countries are magnified when investing in frontier emerging market countries. These types of investments could be affected by factors not usually associated with investments in more traditional developed markets, including risks associated with expropriation and/or nationalisation, political or social instability, pervasiveness of corruption and crime, armed conflict, the impact on the economy of civil war, religious or ethnic unrest and the withdrawal or non-renewal of any licence enabling a Fund to trade in securities of a particular country, confiscatory taxation, restrictions on transfers of assets, lack of uniform accounting, auditing and financial reporting standards, less publicly available financial and other information, diplomatic development which could affect investment in those countries and potential difficulties in enforcing contractual obligations. These risks and special considerations make investments in securities in frontier emerging market countries highly speculative in nature and, accordingly, an investment in a Fund's shares must be viewed as highly speculative in nature and may not be suitable for an investor who is not able to afford the loss of their entire investment. To the extent that a Fund invests a significant percentage of its assets in a single frontier emerging market country, a Fund will be subject to heightened risk associated with investing in frontier emerging market countries and additional risks associated with that particular country.

### **China Connect Risk Factors**

The China Connect schemes were set up with the aim of achieving mutual stock market access between mainland China and Hong Kong. The stock exchanges of the two jurisdictions continue to issue details of the program, e.g. operational rules, from time to time.

The SSE and the SEHK will enable investors to trade eligible securities listed on the other's respective markets through local securities firms or brokers. Under the scheme, investors, through their Hong Kong brokers and a securities trading service company to be established by the Hong Kong Exchange, may be able to place orders to trade eligible securities listed on SSE by routing orders to SSE ("Northbound" trading), subject to rules and regulations issued from time to time.

Investors should note that the application and interpretation of the laws and regulations of Hong Kong and the People's Republic of China ("**PRC**") and the rules, policies or guidelines applied to the China Connect schemes ("**China Connect Rules**") from time to time or any activities arising from the China Connect schemes are untested and there is uncertainty as to how they will be applied.

Trading through the China Connect schemes is also subject to a number of restrictions which may restrict or affect a Fund's investments. In particular, it should be noted that the China Connect schemes are in their initial stages, and that further developments are likely which could restrict or affect a Fund's investments.

#### *Home Market Rules*

A fundamental principle of trading securities through China Connect is that the laws and rules of the home market of the applicable securities shall apply to investors in such securities. In respect of China Connect Securities, Mainland China is the home market and thus investors in China Connect Securities should observe Mainland China securities regulations, SSE listing rules and other rules and regulations. If SSE rules or other PRC law requirements are breached, SSE has the power to carry out an investigation, and may, though SHEK exchange participants require such exchange participants to provide information about investors, which may include a Fund, and assist in investigations.

Nevertheless, certain Hong Kong legal and regulatory requirements will also continue to apply to the trading of China Connect Securities.

### *Pre-trade Checking; No Short Selling*

Short selling is not allowed in the PRC and pre-trade checking will be carried out at the start of each day on which SEHK is open for trading through the scheme. Accordingly, a broker through whom a Fund places a sell order may reject a sell order if a Fund does not have sufficient available China Connect Securities in its account by the applicable cut off time specified by that broker or if there has been a delay or failure in the transfer of the relevant China Connect Securities to any clearing account of the broker.

### *Aggregate and Daily Renminbi ("**RMB**") Quotas*

Hong Kong and overseas investors will trade and settle SSE Securities in RMB only, trading in which is subject to aggregate and daily RMB quotas that apply to the market in general. If trading is suspended as a result of a breach of the quota limits, brokers will be unable to carry out orders and any instructions to trade that have been submitted but not yet executed may be rejected. In addition, it is possible for the SEHK to subsequently reject the order even after the broker has accepted it for execution in the event that a quota has been exceeded.

### *Suspension, Restriction and Cessation of Operation of China Connect*

SEHK (or any relevant subsidiary) may in certain circumstances, temporarily suspend or restrict all or part of the order-routing and related supporting services with regard to all or any trading of China Connect Securities, and for such duration and frequency as SEHK may consider appropriate. SEHK has absolute discretion to change the operational hours and arrangements of China Connect at any time and without advance notice, whether on a temporary basis, due to operational needs, inclement weather, under emergency situations or otherwise. Moreover, SEHK (or any relevant subsidiary) may cease the provision of the China Connect trading service permanently.

### *Suspension of Trading on A Shares and H Shares*

The SEHK rules state that where any Hong Kong quoted securities with corresponding securities traded on a mainland market accepted as China Connect Securities are suspended from trading on SEHK but the China Connect Securities are not suspended from trading on the SSE, the service for routing the China Connect Securities sell orders and China Connect Securities buy orders for such China Connect Securities to the SSE for execution will normally remain available. However, SEHK may, in its discretion, restrict or suspend such service without prior notice and the relevant a Fund's ability to place sell orders and buy orders may be affected.

### *No off-exchange trading and transfers*

Unless otherwise provided by the China Securities Regulatory Commission ("**CSRC**"), China Connect Securities may not be sold, purchased or otherwise transferred in any manner otherwise than through China Connect in accordance with the China Connect Rules. Accordingly, there may be a limited market and/or lower liquidity for China Connect Securities purchased through China Connect (as compared to the same shares purchased through other channels). In addition, any scrip entitlements received by a Fund in respect of China Connect Securities are not eligible for trading through China Connect. Accordingly, there is a risk of low or even no liquidity for such shares received by way of scrip entitlement.

### *Settlement and Custody*

The HKSCC, also a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited ("**HKEx**"), will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The Chinese listed securities traded through China Connect are issued in scripless form, so investors will not hold any physical China traded securities. In the initial stage of the operation of China Connect, Hong Kong and overseas investors who have acquired SSE Securities through Northbound trading should maintain the SSE Securities with their brokers' or custodians' stock

accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK.

#### *Taxes*

Stocks in Mainland China are currently subject to a 10% capital gains tax. A Fund investing through China Connect is expected to be exempt from such capital gains / withholding tax under current regulations in Mainland China but such exemption is subject to change by the authorities in Mainland China and a Fund may therefore be subject to withholding tax at any time in the future.

A Fund may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

#### *Ownership*

Hong Kong law recognises the proprietary interest of investors in securities held for them by their broker or custodian in the Central Clearing and Settlement System. Such recognition should apply equally to China Connect Securities held for Hong Kong and overseas investors by the relevant clearing participant through HKSCC. In addition, in the PRC (where China Connect Securities are registered in a securities account opened with ChinaClear in the name of HKSCC), it is expressly stipulated in the rules applying to the China Connect schemes (as promulgated by CSRC to prescribe the launch and operation of the China Connect) that HKSCC acts as the nominee holder and Hong Kong and overseas investors own the rights and interests with respect to the China Connect Securities. Accordingly, the regulatory intention appears to be that Hong Kong and overseas investors (including a Fund) should also have proprietary rights over China Connect Securities under PRC laws, although this cannot be guaranteed.

However, as China Connect is a recent initiative there may be some uncertainty surrounding such arrangements. In addition, while Hong Kong and overseas investors (including a Fund) may have proprietary rights over China Connect Securities, they must act through HKSCC as nominee in order to enforce such rights in accordance with its rules.

In the event HKSCC is insolvent, the China Connect Securities should not form the bankruptcy estate of HKSCC. Insolvency proceedings will be governed by Hong Kong laws, and it is expected (but is not entirely certain) that ChinaClear and PRC courts will recognise the power of the liquidator duly appointed under Hong Kong law in relation to the China Connect Securities.

#### *Liability*

HKEx, SEHK, SSE, their respective subsidiaries, directors, employees and agents will not have any legal liability for losses or damage resulting directly or indirectly from or in connection with investments in China Connect Securities.

#### *Foreign Ownership Limits*

Under PRC laws, there is a limit to how many securities a single foreign investor is permitted to hold in a single PRC listed company, and also a limit to the maximum combined holdings of all foreign investors in a single PRC listing company. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued securities of the same listed company, whether the relevant holdings are through Northbound trading or other investment channels). The single foreign investor limit on shares is currently set at 10% of the shares of a PRC listed company and the aggregate foreign investor limit is currently set at 30% of the shares of a PRC listed company. Such limits are subject to change from time to time.

If the foreign ownership limits are breached, SSE will notify SEHK and, on a last-in-first-out basis, SEHK will identify the relevant trades involved and require the relevant exchange participants to require the investors concerned (which could include a Fund) to sell the securities within the timeframe stipulated by SEHK. If the relevant investors fail to sell their securities, exchange participants are required to force-sell the securities for the relevant investors in accordance with the China Connect Rules.

### *Coverage of Investor Compensation Fund*

The Fund's investments through Northbound trading under China Connect will not be covered by Hong Kong's Investor Compensation Fund.

### **Market Disruption**

Even highly developed markets may be subject to disruption caused by unexpected financial, political, military and terrorist events from time to time, which may cause dramatic losses for a Fund. Positions may become illiquid, making it difficult or impossible to close out positions against which the markets are moving, or market prices may behave in a way that is not consistent with historical pricing relationships. For example, historically low-risk strategies may perform with unprecedented volatility and risk.

The risk of loss can be compounded by the fact that in disrupted markets, the financing available to a Fund from its banks, dealers and other counterparties will typically be reduced, resulting in forced liquidations and major losses even for investments not directly affected. In addition, exchanges may suspend or limit trading for a period, making it difficult for a Fund to liquidate affected positions and exposing it to further losses. There is also no assurance that off-exchange markets would remain liquid enough for the Fund to close out positions.

### **Depositary Risk**

There is a difference in the legal obligations of the Depositary for assets that are financial instruments that can be held in custody ("**Custody Assets**") and other kinds of assets ("**Non-Custody Assets**"). For Custody Assets, the Depositary will be liable for any loss of assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depositary is required to return identical assets to those lost or a corresponding amount to the Fund without undue delay.

For Non-Custody Assets, the Depositary is only required to verify the Fund's ownership of such assets and to maintain a record of the assets. In the event of any loss of such assets, the Depositary will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary Agreement.

### **Subscriptions/Redemptions Account**

The ICAV operates a Subscriptions/Redemptions Account for each Fund. There is a risk for investors to the extent that an investor ranks as an unsecured creditor if money is held in a Fund's Subscriptions/Redemptions Account and the Fund becomes insolvent.

### **Segregated Liability**

The ICAV is an umbrella Irish collective asset-management vehicle with segregated liability between Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability of that Fund. In addition, any contract entered into by the ICAV will by operation of law include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any of the Funds other than the Fund in respect of which the contract was entered into. These provisions are binding both on creditors and in any insolvency but do not prevent the application of any enactment or rule of law which would require the application of the assets of one Fund to discharge some, or all liabilities of another Fund on the grounds of fraud or misrepresentation. In addition, whilst these provisions are binding in an Irish court which would be the primary venue for an action to enforce a debt against the ICAV, these provisions have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owed in relation to another Fund in a jurisdiction which would not recognise the principle of segregation of liability between Funds.

### **Operational Risks (including Cyber Security and Identity Theft)**

An investment in a Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons and errors caused by service providers such as the Manager, the Investment Managers or the Administrator. While the ICAV seeks to minimise such events through controls and oversight, there may still be failures that could cause losses to a Fund.

The Manager, Investment Managers, Administrator and Depositary (and their respective groups) each maintain appropriate information technology systems. However, like any other system, these systems could be subject to cyber security attacks or similar threats resulting in data security breaches, theft, a disruption in the Manager's, Investment Managers', Administrator's or Depositary's service or ability to close out positions and the disclosure or corruption of sensitive and confidential information. Notwithstanding the existence of procedures designed to detect and prevent such breaches and ensure the security of such information as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the ICAV and its delegates, such security breaches may potentially also result in loss of assets and could create significant financial and or legal exposure for the ICAV.

### **Paying Agent Risk**

Shareholders who choose or are obliged under local regulations to pay or receive subscription or repurchase monies or dividends via an intermediate entity rather than directly to the ICAV or the relevant Fund (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the ICAV or the relevant Fund and (b) repurchase monies payable by such intermediate entity to the relevant Shareholder.

### **No Investment Guarantee Equivalent to Deposit Protection**

An investment in the ICAV is not in the nature of a deposit in a bank account and is not protected by any government agency or other guarantee scheme of the kind which may be available to protect the holder of a bank deposit account.

### **Performance Fee Risk**

The payment of fees based on the performance of a Fund to the Manager, which the Manager may choose to pay in whole or in part to any Investment Manager appointed to the Fund, may provide an incentive to cause the Fund to make more speculative investments than might otherwise be the case. The incentive thereby created may equally represent an incentive for the Manager and its delegates to arrange the timing and the terms of the ICAV's transactions in investments to maximise any performance fees that may become due.

### **Convertible Securities**

The convertible securities in which a Fund may invest consist of bonds, notes, debentures and preferred stocks which may be converted or exchanged at a stated or determinable exchange ratio into underlying shares. Convertible securities may offer higher income than the shares into which they are convertible. Convertible securities are often convertible at the option of the holder, and a Fund holding such securities will therefore be able to determine whether exercising the conversion option is likely to benefit the Fund or not and make the decision to exercise the option on that basis. However, with certain types of convertible security, the conversion may occur automatically, or be at the option of the issuer. In these circumstances, a Fund may be required to permit the issuer of a convertible security to redeem the security, convert it into the underlying shares or sell it to a third party, and the conversion may disadvantage the Fund, particularly if the security is converted at a rate which does not reflect current market values or is into an asset of lower value than the security held. To the extent that any convertible securities in which a Fund may invest are leveraged or contain embedded Derivatives, they or the embedded Derivative component, as appropriate, will be managed by the Fund as Derivatives.

### **Contingent Convertible Capital Bonds**

Contingent convertible capital bonds ("**CoCos**") are Tier 1 and Tier 2 subordinated debt securities

issued by financial institutions. CoCos generally contain loss absorption mechanisms, or 'bail-in' clauses, to avoid public sector intervention to keep the issuer of such securities from insolvency or bankruptcy. CoCo terms may vary from issuer to issuer and bond to bond and may expose investors to the loss of some or all of the investment in the event the bail-in provisions are exercised. This may include the loss or indefinite postponement of payments of interest or redemption amounts, even where the due date for payment has passed at the time the bail-in takes place. CoCo bond-holders may also suffer losses prior to other investors in the same financial institution, even those holding equity or bonds ranking pari passu or junior to the CoCos.

For this reason, CoCos tend to have higher price volatility and greater liquidity risk than other securities which do not expose investors to these risks, and they may be illiquid and difficult to dispose of, especially as the issuer may be under no effective obligation to redeem them.

### **Investments in Other Collective Investment Schemes**

A Fund may purchase shares of other collective investment schemes to the extent that such purchases are consistent with such Fund's investment objective and restrictions. As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its pro rata portion of the other collective investment scheme's expenses, including management fees. These expenses would be in addition to the expenses that a Fund would bear in connection with its own operations.

Also, although intended to protect capital and enhance returns in varying market conditions, certain trading and hedging techniques which may be employed by the other collective investment scheme such as leverage, short selling and investments in options or commodity or financial futures could increase the adverse impact to which the other collective investment scheme may be subject.

There can be no assurance that the Investment Managers can successfully select suitable collective investment scheme or that the managers of the other collective investment scheme selected will be successful in their investment strategies.

### **Exchange-Traded Index Securities**

Subject to the limitations on investment in collective investment schemes and a Fund's own investment objective, each Fund may invest in exchange-traded index securities. Exchange-traded index securities are subject to the same risks as other market traded securities and those associated with investment in other collective investment schemes. These securities also generally bear certain operational expenses. To the extent that a Fund invests in these securities, the Fund must bear these expenses in addition to the expenses of its own operation.

### **Provisional Allotments**

As the ICAV may provisionally allot Shares to proposed investors prior to receipt of the requisite subscription monies for those Shares, a Fund may suffer losses as a result of the non-payment of such subscription monies.

### **Regulatory Disclosures**

Regulations governing the provision of investment management in the European Union may require that the ICAV or its delegates provide investors and intermediaries with certain disclosures regarding transaction costs, risk and forecasts of future performance. Producing this information generally requires making significant assumptions about its validity and information value which may not be justified. In addition, forecasts based on historic information are frequently unreliable and investors are normally cautioned against relying on such information.

In some respects, this regulation is highly prescriptive and where this is the case, it typically does not allow the ICAV or its delegates to use judgement in how the information is compiled or presented, nor for the ICAV and its delegates to qualify the information or attach warnings as to the danger of relying on it to make investment decisions. In other respects, some of this regulation is still in a state of development and the rules are consequently unclear and likely to be

applied inconsistently across the investment management industry until such there has been sufficient time to establish a general market practice as to how this information is produced.

The ICAV and its delegates will at all times endeavour to ensure any information on the ICAV and its Funds is produced in accordance with all applicable regulatory requirements, but investors are advised to treat all such information with care, and in particular, not to rely on any information that purports to indicate how a Fund may perform at any point in the future, either generally or under any specific market conditions.

**Risk Factors Not Exhaustive**

The investment risks set out in this Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the ICAV or any Fund may be exposed to risks of an exceptional nature from time to time.

---

## **Borrowing Policy**

---

Under the Instrument of Incorporation, the Directors are empowered to exercise all of the borrowing powers of the ICAV, subject to any limitations under the UCITS Regulations, and to charge the assets of the ICAV as security for any such borrowings.

Under the UCITS Regulations, a Fund may not grant loans or act as guarantor on behalf of third parties, borrow money except for temporary borrowings in an amount not exceeding 10% of its net assets and except as otherwise permitted under the UCITS Regulations. A Fund may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions under the UCITS Regulations provided that the offsetting deposit (i) is denominated in the Base Currency of the Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding.

Subject to the provisions of the UCITS Regulations and the Central Bank Rules, the ICAV may, from time to time, where collateral is required to be provided by a Fund to a relevant Approved Counterparty in respect of Derivative transactions, pledge Investments of the relevant Fund(s) equal in value to the relevant amount of required collateral to the relevant Approved Counterparty provided that a pledge agreement has been entered into between the ICAV and that Approved Counterparty.

---

## Investing in Shares

---

The Directors and the Manager have authority to affect the issue of Shares in any Class in respect of a Fund and to create new Classes of Shares on such terms as they may from time to time determine in relation to any Fund. The creation of further Share Classes must be notified in advance to, and cleared in advance by the Central Bank. The creation of further Funds requires the prior approval of the Central Bank. Issues of Shares will be made with effect from a Dealing Day in accordance with the subscription and settlement details and procedures below, unless otherwise specified in a Supplement. The Net Asset Value per Share will be calculated separately for each Class of Shares.

The ICAV offers various Classes of Shares for investment in the Funds. Certain information regarding the Classes of Shares available for each Fund and how to buy, sell and exchange such Shares is contained in the Relevant Supplement.

The Manager or relevant Investment Manager may hedge the foreign currency exposure of Classes denominated in a currency other than the Base Currency of a Fund in order that investors in that Class receive a return in the currency of that Class substantially in line with the return from the Classes denominated in the Base Currency. Where foreign exchange hedging is used for the benefit of a particular Class, transactions attributable to that Class and the cost and related liabilities and benefits shall be for the account of that Class only and will be reflected in the Net Asset Value per Share for shares of any such Class.

Unless otherwise specified in a Relevant Supplement in relation to any Class, all Shares issued will be in registered form and written confirmation of ownership will be sent to Shareholders within ten days of registration. Share certificates will not be issued. Unless otherwise specified in a Relevant Supplement, the number of Shares issued will be rounded to four decimal places and any surplus amounts will be retained for the benefit of the relevant Fund.

### Subscriptions for Shares

Applications for Shares in a Fund may be made on any Dealing Day in writing by completing the Application Form for that Fund and submitting the completed Application Form to the Administrator, or to the Distributor for onward transmission to the Administrator. In the case of faxed Application Forms, the original Application Form must be received promptly thereafter by the Administrator, or by the Distributor to forward on to the Administrator. All documentation required in connection with anti-money laundering procedures must also be received promptly thereafter if such documentation has not already been received. Shares will be issued at the Net Asset Value per Share calculated as of the relevant Valuation Point, plus any applicable duties and charges. The ICAV reserves the right to reject in whole or in part any application for Shares.

Processing of the initial subscriptions for Shares will not be completed until the Application Form has been received by the Administrator. Amendments to an investor's registration details and payment instructions will only be effected on receipt of original documentation. If a subscription request is received after the Dealing Deadline on any Dealing Day, the Shares will be issued at the Net Asset Value per Share calculated as of the Valuation Point on the next Dealing Day, plus any applicable duties and charges.

The Manager may, at its discretion, determine the minimum initial subscription and subsequent subscriptions per Shareholder for Shares in respect of a particular Class of Shares in each Fund, and such minimums shall be set forth in the Supplement for the relevant Fund. The Manager, in its discretion, may waive any of the minimum initial or incremental investment requirements. Under certain circumstances, the Manager may suspend Share transactions, as described more fully below under "**Temporary Suspension of Dealings**".

## **Subsequent Purchases**

Subsequent purchases may be made in writing, by fax or electronic means in such form as the Manager may from time to time determine and should be posted, sent by fax or electronic means to the Administrator's address or fax number as specified in the Application Form and will be deemed effective at the relevant Net Asset Value per Share for that Dealing Day after receipt in proper form by the Administrator. Shareholders are not obliged to submit original subscription documentation on subsequent applications for Shares unless the ICAV has issued a new Application Form for the Fund since the initial purchase of Shares or if any information previously provided for an applicant is required to be updated.

## **Payment for Shares**

Payment for Shares must be made as specified in the Supplement for the relevant Fund. Payment for Shares must be in the relevant Class Currency or such other currency as may be specified in a Relevant Supplement, unless the Manager has agreed to accept subscriptions in other freely convertible currencies approved by the Investment Manager. Subscriptions in another currency will be converted into the relevant Class Currency at the rate of exchange available to the Investment Manager or the Administrator as its delegate and the cost of conversion will be deducted from the subscription monies.

Payment for Shares should be made to the account specified in the Application Form. If payment in full in respect of the issue of Shares has not been received by the relevant time on the relevant settlement date, or in the event of non-clearance of funds, the allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled, or, alternatively, the applicant may be charged interest together with an administration fee. In addition, the Directors will have the right to sell all or part of the applicant's holdings of Shares in the Fund or any other Fund of the ICAV in order to meet those charges.

Certain distributors or other financial intermediaries may impose certain conditions or charges on their clients which are in addition to those described in this Prospectus. Any such conditions or charges shall be imposed only after written agreement with respect thereto has been reached between the distributor or financial intermediary and its client. The ICAV will not be responsible for any such charges or conditions imposed.

## **Limitations on Purchases**

The ICAV, the Manager and the Distributor each reserve the right to reject an application, for any reason, in whole or in part, in which event the application monies or any balance thereof will be returned to the applicant (without interest) by transfer to the applicant's designated account or by post at the applicant's risk.

The Directors will not knowingly issue, or approve the transfer of, any Shares to any U.S. Person. Each applicant for Shares will be required to provide such representations, warranties or documentation as may be required by the Directors or the Manager to ensure that these requirements are met prior to the issue of Shares.

The Directors, or the Administrator as their delegate, may issue Shares in exchange for assets in which the ICAV may invest in accordance with the particular investment objective and policies of the relevant Fund. No Shares may be issued in exchange for such assets unless the Directors are satisfied that (i) the number of Shares issued in the relevant Fund will not be more than the number which would have been issued for settlement in cash having valued the assets to be exchanged in accordance with the valuation provisions set out in the Instrument of Incorporation and summarised herein; (ii) all fiscal duties and charges arising in connection with the vesting of such assets in the Depositary for the account of the relevant Fund are paid by the person to whom the Shares in such Fund are to be issued or, at the discretion of the Directors, partly by such person and partly out of the assets of such Fund; (iii) the terms of such exchange shall not materially prejudice the Shareholders in the relevant Fund; and (iv) the assets have been vested in the Depositary or its nominees or agents.

## Redeeming Shares

Shareholders may redeem their Shares by sending a signed redemption request form by post, fax or electronic means to the Administrator or, alternatively, to the Distributor for onward transmission to the Administrator. Shareholders may request the ICAV to redeem their Shares on and with effect from any Dealing Day at a price based on the relevant Net Asset Value per Share on such Dealing Day less any applicable duties and charges. Redemption requests received by fax will only be processed if the redemption proceeds are to be paid to the account of record of the redeeming Shareholder. Please consult "**HOW TO REDEEM SHARES**" of the Relevant Supplement for further information regarding redeeming Shares.

The ICAV may compulsorily redeem all of the outstanding Shares in any Fund, at the then prevailing Net Asset Value per Share, if the Depositary has served notice of its intention to retire under the terms of the Depositary Agreement (and has not revoked such notice) and no new depositary has been appointed by the Directors with the approval of the Central Bank within 90 days of the date of service of such notice.

All outstanding Shares in any Fund may be redeemed by the ICAV by not less than fourteen days' notice in writing to the appropriate Shareholders if at any time the Net Asset Value of the Fund on any Dealing Day falls below the Minimum Net Asset Value for the Fund.

Unless otherwise specified in a Relevant Supplement in relation to any Class, redemption proceeds will be paid by electronic transfer (at the Shareholder's risk and expense) to the account designated by the Shareholder in the application form within a maximum period of ten Business Days of the Dealing Deadline relating to the Dealing Day on which redemptions are effected.

Processing of the redemption for Shares will not be completed until the original Application Form has been received by the Administrator. Amendments to an investor's registration details and payment instructions will only be effected on receipt of original documentation. Any failure to supply the ICAV with any documentation required for anti-money laundering or anti-fraud purposes, may result in a delay in the settlement of redemption proceeds. In such circumstances, the ICAV will process any redemption request received by a Shareholder, up to the point of payment to the Shareholder, but payment will be withheld until the required documentation is received by the ICAV.

The Instrument of Incorporation also permits the ICAV, at the request of a Shareholder, to satisfy any application for redemption of Shares by the transfer of assets of the ICAV *in specie* to that Shareholder. Any such asset allocation is subject to the approval of the Manager and the Depositary. Shareholders who receive redemption proceeds *in specie* will be responsible for liquidating any securities received, including bearing any transaction costs involved in the sale of such securities.

If any Shareholder requests the redemption of Shares equal to 5% or more of the number of Shares in any series in issue on any Dealing Day, the ICAV may distribute underlying investments *in specie* rather than cash provided that any such distribution shall not materially prejudice the interest of other Shareholders. In such circumstances, the relevant Shareholder will have the right to instruct the ICAV to procure the sale of such underlying investments on their behalf in which case the Shareholder will receive the proceeds net of all fiscal duties and charges incurred in connection with the sale of such underlying investments.

Notwithstanding the foregoing, the Instrument of Incorporation provides that if the ICAV receives a request for the repurchase of Shares in respect of 10% or more of the total number of outstanding Shares of any Fund or 10% of the Net Asset Value of such Fund on any Dealing Day, the ICAV may elect to restrict the redemption of Shares in excess of 10%, in which case redemption requests will be scaled down pro rata and the balance of outstanding redemption requests shall be treated as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been redeemed.

Shareholders are required to notify the ICAV immediately in the event that they become U.S. Persons or hold Shares for the account or benefit of U.S. Persons, if they become Irish Residents

or, if Irish Residents, they cease to be Exempt Investors or the Declaration made by or on their behalf is no longer valid. Shareholders are also required to notify the ICAV immediately in the event that they hold Shares for the account or benefit of Irish Residents or Irish Residents who cease to be Exempt Investors or in respect of which the Declaration made on their behalf is no longer valid or if they otherwise hold Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, pecuniary, tax or material administrative disadvantage for the ICAV or the Shareholders as a whole.

Where the Manager becomes aware that a Shareholder (a) is a U.S. Person or is holding Shares for the account or benefit of a U.S. Person in contravention of the relevant provisions of the Instrument of Incorporation; or (b) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, pecuniary, tax or material administrative disadvantage for the ICAV or the Shareholders as a whole, the Manager may direct the Shareholder to (i) dispose of the relevant Shares to a person who is qualified or entitled to own or hold such Shares or (ii) redeem the relevant Shares at the Net Asset Value per Share as at the Valuation Point immediately following the date of notification of such mandatory redemption to the Shareholder. If the Shareholder does not take either action within the deadline specified by the Manager in the notification to the Shareholder, the ICAV may compulsorily redeem the relevant Shares.

Under the Instrument of Incorporation, any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer his Shares promptly to someone whose holding of Shares will not result in any such contravention, or who fails to make the appropriate notification to the ICAV, shall indemnify and hold harmless each of the Manager, the ICAV, the Depositary, the Administrator, the Investment Manager and the other Shareholders (each an "**Indemnified Party**") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the contravention or failure of such person to comply with his obligations pursuant to any of the above provisions.

### **Compulsory Redemptions by the ICAV**

The ICAV may in addition redeem Shares of any Shareholder if the Directors determine that:

- (a) any of the representations given by the Shareholder to the ICAV in the Application Form were not true and accurate or have ceased to be true and accurate; or
- (b) the Shareholder has failed to provide all of the material required by the Manager to verify the identity of the Shareholder or otherwise for anti-money laundering purposes within the time requested by the Manager or the Administrator on its behalf; or
- (c) that the continuing ownership of Shares by the Shareholder would cause an undue risk of adverse tax or legal consequences to the ICAV or any of its Shareholders; or
- (d) the continuing ownership of Shares by such Shareholder may otherwise be prejudicial to the ICAV or any of the Shareholders.

If redemption requests would result in a residual holding in any Fund of less than the Minimum Net Asset Value applicable, the ICAV reserves the right to compulsorily redeem the residual Shares in that Fund at the then prevailing Net Asset Value per Share and make payment of the proceeds thereof to the Shareholder.

### **Exchange or Transfer of Shares**

Shareholders may exchange Shares of each Class in a Fund for Shares of another Class in the same Fund or Shares in any class of another Fund on any day which is a Dealing Day for both Funds. An exchange request will be treated as an order to redeem the Shares held prior to the

exchange and a purchase order for new Shares with the redemption proceeds. The original Shares will be redeemed at their Net Asset Value per Share and the new Shares will be issued at the Net Asset Value per Share of the new Share Class. Please consult the Relevant Supplement for further information regarding the exchange of Shares. The exchange of Shares in a Class for Shares in a new Share Class will be subject to the Shareholder meeting the eligibility requirements applicable to the new Share Class, including without limitation minimum subscription and minimum shareholding requirements, if any. In the case of the exchange of a partial holding only, the value of the remaining holding must also be at least equal to any minimum holding limits for the relevant Share Class.

Excessive exchange transactions can be detrimental to a Fund's performance. The Directors, in consultation with the Manager, may determine that a pattern of frequent exchanges is excessive and contrary to the best interests of the Fund. In this event, additional purchases and/or exchanges of Shares by the relevant Shareholder may be restricted. In these circumstances, and at the absolute discretion of the Directors, should a Shareholder wish to remain invested in one or more of the Funds, the Shareholder may also be required to (a) redeem Shares in a Fund or (b) remain invested in a Fund or exchange into any other Fund, and then to maintain the holding for a significant period of time.

Transfers of Shares must be effected by submission of a Stock Transfer Form in writing or other form of transfer acceptable to the Directors. The Directors or its delegates may decline to register any transfer of Shares unless the transfer form is sent directly to the Administrator, or such other place as the Directors or their delegates may reasonably require, accompanied by such other evidence as the Directors (or the Administrator on their behalf) may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register of Shareholders. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed an Application Form to the satisfaction of the Directors or their delegates.

The Directors may decline to register a transfer of Shares, among other circumstances, (i) if in the opinion of the Directors the transfer would be unlawful or result or be likely to result in any adverse regulatory, pecuniary, tax or material administrative disadvantage to the ICAV or the Shareholders as a whole; (ii) in the absence of satisfactory evidence of the transferee's identity, including any material required for anti-money laundering purposes; or (iii) where the ICAV is would be required to account on behalf of the Shareholder for any tax due as a result of the transfer or disposal of Shares by the Shareholder should the transfer proceed.

A proposed transferee may be required to provide such representations, warranties or documentation as the Directors or their delegates may require in relation to the above matters. In the event that the ICAV does not receive a Declaration in respect of a transferee, the ICAV will be required to deduct appropriate tax in respect of any payment to the transferee on any sale, transfer, cancellation, redemption, repurchase, cancellation or other payment in respect of the Shares as described in the section headed "Taxation" below.

### **Compulsory Exchange**

The Directors may, without prejudice to any rights previously conferred on the holders of any existing Class of Shares, on any Dealing Day compulsorily exchange all or any Shares of one Class in a Fund for Shares of any other Class of the same Fund by such reasonable notice as the Directors may determine, provided this does not materially prejudice the interests of holders of the relevant Class.

### **Anti-Dilution Levy**

The Directors reserves the right to impose an Anti-Dilution Levy on a transaction basis in the case of net subscriptions or redemptions as a percentage adjustment (to be communicated to the Administrator) on the value of the relevant subscription calculated for the purposes of determining a subscription or redemption price to reflect the impact of dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of the relevant Fund where they consider such a provision to be in the best interests of a Fund. Such amount will be

added to the price at which Shares will be issued in the case of net subscription requests or deducted in the case of net redemptions. Any such sum will be paid into the account of the relevant Fund.

### **Anti-Dilution Adjustment ("Swing Pricing")**

The cost of purchasing or selling the underlying investments in a Fund may be higher or lower than the last traded price used in calculating the Net Asset Value per Share. The effects of dealing charges, commissions and dealing at prices other than the last traded price may have a materially disadvantageous effect on the Shareholders' interests in a Fund.

To protect Shareholders and to prevent this effect, known as "dilution", the ICAV may as set out below charge a dilution adjustment so that the price of a Share in the Fund is above or below that which would have resulted from a valuation based on the last traded price (i.e. effectively "swinging" the price). The charging of a dilution adjustment may either reduce the net repurchase price or increase the net subscription price of the Shares in a Fund. Where a dilution adjustment is made, it will increase the Net Asset Value per Share where the Fund receives net subscriptions and will reduce the Net Asset Value per Share where the Fund receives net repurchases.

The dilution adjustment for a Fund will be calculated by reference to the estimated or actual costs of dealing in the underlying investments of that Fund, including but not limited to any dealing spreads related to dealing in the underlying investments. These costs can vary over time and as a result the amount of dilution adjustment will also vary over time. The price of each Class of Shares in a Fund will be calculated separately but any dilution adjustment will affect the price of Shares of each Class in a Fund in an identical manner. When the dilution adjustment is not made and Shares are bought or sold, there may be an adverse impact on the Net Asset Value of a Fund.

Dilution adjustments may be applied on any Dealing Day but the possible amount of such adjustments will be reviewed from time to time by the ICAV. The details of the dilution adjustments that have been applied to subscriptions and/or repurchases can be obtained by a Shareholder on request from the ICAV.

### **Use of a Subscriptions/Redemptions Account**

The ICAV operates a separate Subscriptions/Redemptions Account for each Fund to which subscription, redemption and dividend payments are credited pending the issue of Shares in respect of each subscription or payment to an investor in the case of a redemption or dividend. The Accounts are operated in accordance with the Central Bank's requirements and the Depositary will monitor the Subscriptions/Redemptions Accounts in performing its cash monitoring obligations and ensuring effective and proper monitoring of the Funds' cash flows in accordance with its obligations as prescribed under the Central Bank Rules.

While cash is held in a Subscriptions/Redemptions Account it represents an asset of the relevant Fund and an investor will be an unsecured creditor of the Fund until the relevant Shares are issued or the corresponding redemption or dividend is paid. There nonetheless remains a risk for investors to the extent that monies are held in a Subscriptions/Redemptions Account for the account of a Fund at a point where such Fund becomes insolvent. In respect of any claim by an investor in relation to monies held in a Subscriptions/Redemptions Account, the investor shall not be in the position of a Shareholder, but rather shall rank as an unsecured creditor of the relevant Fund.

Subscription payments must be received in cleared funds into the relevant Fund's Subscriptions/Redemptions Account on or before the settlement date as outlined in the Supplement for the Fund.

The ICAV in conjunction with the Depositary shall establish a policy to govern the operation of the Subscriptions/Redemptions Accounts, in accordance with the Central Bank's guidance in this area. This policy shall be reviewed by the ICAV and the Depositary at least annually.

## **Anti-Money Laundering and Counter Terrorist Financing Measures**

Measures provided for in the EU Directive 2015/849 (the "**Fourth AML Directive**"), aimed at the prevention and detection of money laundering and terrorist financing, require documentary verification of each applicant's identity and address and the establishment of whether an applicant is a politically exposed person ("**PEP**") or an immediate family member or close associate of a PEP. The source of funds and wealth must also be established for any PEP applicants.

In the case of corporate applicants, the verification process will require certain information being provided, which may include a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), annual audited accounts (where available), the names, occupations, dates of birth and residential and business address of the directors of the company, PEP details where relevant and details of persons with substantial beneficial ownership or control of the corporate applicant.

Depending on the circumstances of each application, detailed verification may not be required where an applicant is identified as a lower risk category pursuant to a money laundering and terrorist financing risk assessment of that applicant. Applicants may contact the Administrator in order to determine whether they would be in this category of applicant.

The ICAV reserves the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the ICAV may refuse to accept the application and may return all subscription money or compulsorily redeem such Shareholder's Shares and withhold payment of redemption proceeds until the required verification material is provided to the ICAV. None of the ICAV, the Directors, the Depositary or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed in such circumstances. If an application is rejected, the ICAV will return application money or the balance thereof by telegraphic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The ICAV may refuse to pay redemption proceeds or accept further subscription money where the requisite information for verification purposes has not been produced by a Shareholder.

The Directors may impose additional requirements from time to time to comply with all applicable anti-money laundering/counter terrorist financing laws and regulations.

---

## Data Protection

---

Prospective investors should note that, by virtue of making an investment in the ICAV and the associated interactions with the ICAV and its affiliates and delegates (including completing the Application Form, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the ICAV with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents), such individuals will be providing the ICAV and its affiliates and delegates with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation.

Where personal data is provided to the ICAV as a consequence of an investment in a Fund, the ICAV and the Manager will act as data controllers for the purposes of the Data Protection Legislation and the delegates of the Manager, such as the Administrator, the Distributor and the Investment Managers, as data processors. There may also be circumstances where a delegate of the Manager may act as a data controller in its own right.

### **Purposes of Processing and Legal basis for processing**

Personal data may be processed on behalf of the ICAV and the Manager and its delegates for the following purposes:

- to facilitate the opening of an account with the ICAV, the management and administration of a holding of Shares in a Fund and any related transactions and activities on an ongoing basis which are necessary for the administration of an investment in a Fund, including the processing of redemptions, conversions, transfers and additional subscription requests, the payment of distributions and the calculation of fees;
- as part of the monitoring and recording of calls and electronic communications for (i) the processing and verification of instructions from Shareholders and their agents, (ii) the verification of Shareholder identity and prevention of fraud against Shareholders, (iii) for the prevention, detection, investigation and prosecution of other crimes against the ICAV and its Shareholders, (iv) to enable the ICAV and its delegates to enforce or defend the legal rights of the ICAV and its Shareholders, (v) to comply with any other legal obligation imposed on the ICAV or its delegates with regard to the recording of voice or electronic communication, and (vi) to pursue the ICAV's legitimate interests in relation to such matters;
- in order to carry out anti-money laundering checks and related actions which the ICAV or the Manager considers are required to meet any legal obligations imposed on the ICAV and the Manager and to pursue the legitimate interests of the ICAV and the interests of the public in relation to the prevention of fraud, money laundering, terrorist financing, bribery, corruption and tax evasion and to prevent the provision of financial and other services to persons who may be subject to economic or trade sanctions;
- to facilitate the reporting of tax-related information and returns to tax authorities in Ireland or the home domicile of an investor where required to comply with a legal obligation applicable to the ICAV, and to the authorities in countries where a Fund seeks to invest where such reporting is required to open or maintain an investment account or otherwise ensure a Fund is not subject to withholding tax or other deductions in the absence of such disclosure;

- the compilation and reporting of statistical data which the ICAV or the Manager is under a legal obligation to provide in Ireland or any other country in which the ICAV or a Fund is registered for marketing purposes or in which a Fund has invested;
- for disclosure of information relating to the ICAV, a Fund or its Shareholders to other third parties, such as investment counterparties and market intermediaries, the providers of audit and tax services, systems, software and technology and regulatory authorities, in order to pursue the legitimate interests of the ICAV and its delegates in maintaining and improving the efficiency and effectiveness of the ICAV's activities and ensuring that the ICAV, each Fund and the delegates of the ICAV remain in compliance with any regulatory requirements to which it is subject;
- to monitor and record calls for quality, business analysis, training and related purposes in order to pursue the legitimate interests of the Fund in having its delegates monitor and improve the delivery of their services to the Fund and its shareholders;
- where requested by a Shareholder, to make available copies of material relating to the Shareholder and which is used for verification of identity and other anti-moneylaundering purposes to the delegates of the Manager to facilitate anti-moneylaundering screening in connection with other investments the Shareholder wishes to make.

### **Recipients of Data and International Transfer of Data**

The ICAV and the Manager may disclose personal data:

- to its service providers, including the Administrator, the Distributor, the Investment Managers, their respective affiliates and other third party service providers engaged by the ICAV or the Manager in order to process the data for the above-mentioned purposes;
- to competent authorities (including tax authorities), courts and bodies as required by law or requested or to affiliates for internal investigations and reporting; and

The disclosure of personal data to the third parties set out above may involve the transfer of data to the USA and other jurisdictions outside the European Economic Area (**EEA**) in accordance with the requirements of the General Data Protection Regulation. Such countries may not have the same data protection laws as apply in the EEA. The ICAV and the Manager has authorised the Administrator (and may authorise other delegates) to transfer personal data to other countries for the purposes above where standard contractual clauses or other safeguards permitted under Data Protection Legislation have been put in place with relevant parties to whom personal data will be transferred.

### **Retention period**

The ICAV and the Manager will retain personal data for as long as required for the ICAV and the Manager for the purposes set out above, and to comply with any legal obligations to retain Shareholder information for a period of time after a Shareholder has ceased to hold Shares in any Fund.

### **Data Subject Rights**

Where the ICAV or the Manager holds personal data, the owner of the data has the following rights, in certain circumstances, in relation to personal data:

- Right to access any personal data held by the ICAV or the Manager.
- Right to have any inaccurate personal data rectified.

- Right to restrict the use of personal data.
- Right to request that personal data is erased.
- Right to object to the processing of personal data.
- Right to obtain a copy of any personal data held or request its transfer to another data controller (data portability).

Shareholders should note that where the ICAV or the Manager requires information, which includes personal data, to process an investment in Shares or to comply with anti-moneylaundering or other legal requirements, failure to provide this information means the ICAV and the Manager will not be able to accept the investment or may have to restrict the ability of a Shareholder to redeem the Shares held, to receive any dividends declared in relation to the Shares or otherwise deal with the Shares as desired.

Shareholders also have the right to lodge a complaint with the supervisory authority in the EU Member State of their habitual residence or place of work or in the place of the alleged infringement if they consider that the processing of personal data relating to them carried out by or on behalf of the ICAV or the Manager infringes Data Protection Legislation.

### **Personal Data Requests**

Shareholders who have any questions about the use of personal data may contact the Manager at [investorrelations@mlcapital.com](mailto:investorrelations@mlcapital.com).

---

## Dividend Policy

---

The dividend policy and information on the declaration and payment of dividends for each Fund will be specified in the Relevant Supplement. The Instrument of Incorporation empowers the Directors to declare dividends in respect of any Shares in the ICAV out of the net income of the ICAV (i.e. income less expenses) (whether in the form of dividends, interest or otherwise) and net realised and unrealised gains (i.e. realised and unrealised gains net of all realised and unrealised losses), subject to certain adjustments and, in accordance with the Central Bank Rules, partially or fully out of the capital of the relevant Fund.

Any dividends payable to Shareholders will be paid by electronic transfer to the relevant Shareholder's bank account indicated on the Application Form at the expense of the payee. Any dividends paid which are not claimed or collected within six years of payment shall revert to and form part of the assets of the relevant Fund.

Investors should note that any dividend income being paid out by a Fund and held in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the income is released to the investor and that during this time the investor will rank as a general unsecured creditor of the ICAV.

Any dividends payable to Shareholders will normally be paid in the denominated currency of the relevant Class. If, however a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction will be arranged by the Administrator (at its discretion) at prevailing exchange rates on behalf of and for the account of, and the risk and expense of, the Shareholder.

Where the amount of any dividend payable to an individual Shareholder would be less than €100 (or its foreign currency equivalent), the Directors in their sole discretion may determine not to pay any such dividend and instead issue and credit to the account of the relevant Shareholder such number of Shares in the relevant Fund or Class as are as nearly as possible equal in value to but not in excess of the amount of such dividends.

No dividends payable in cash will be paid to an investor until such time as the Administrator has received that Shareholder's original Application Form and is satisfied that all necessary anti-money laundering checks have been completed in full.

### **Income equalisation**

In accordance with the provisions of the Instrument of Incorporation of the ICAV, equalisation accounts may be maintained for the distributing Share Classes. Equalisation represents the amount of accrued income since the date of the last distribution included in the cost of acquiring Shares. The purpose of income equalisation is to ensure that income accrued in the Fund to existing shareholders is not diluted as a result of additional shares being issued.

For the purposes of calculating dividend income, income is equalised with a view to ensuring that the level of income per Share is not affected by the issue and redemption of Shares. Equalisation of income also ensures that all Shareholders receive the level of income per Share that is due to them based on the period they owned the Shares.

The equalisation method used by the ICAV is to ensure that, on any given Dealing Day, part of the subscription price of each Share is treated as representing the income accrued to the Fund on that Dealing Day, and this is treated as capital in the hands of any investor subscribing for Shares on that day. When the next distribution of income is made by the Fund on that Class of Shares, the distribution is deemed to include an amount representing the return of this capital amount paid on the subscription. Conversely, part of each redemption payment made on a Share will be treated as representing the portion of any accrued but undistributed income of the Fund attributable to the redeemed Share up to the date of redemption, and this will represent income in the hands of the investor.

This section should be read in conjunction with the Dividend Policy section in the Relevant Supplement where appropriate.

---

## Fees and Expenses

---

Information regarding the fees and expenses of each Fund, including the management fee in respect of each Fund, are primarily described in section entitled "Fees and Expenses" in the Relevant Supplement.

**The ICAV may pay out of the assets of each Fund the fees and expenses as described below. Particulars of the fees and expenses (including performance fees, if any) payable to the Manager, the Investment Manager (if any), or to any other service provider not set out below and which are paid out of the assets of each Fund are set out in the Relevant Supplement. Fees will also be subject to value added tax, where applicable.**

### **Management Fees and Performance Fees**

The ICAV shall pay the Manager a fee in relation to each Fund or Class as specified in the Relevant Supplement. The management fee shall be calculated and accrued at each Valuation Point and payable monthly in arrears. The Manager shall also be entitled to be repaid out of the assets of the relevant Fund for all of its reasonable out-of-pocket expenses (which shall not exceed normal commercial rates) incurred by the Manager on behalf of the ICAV or a specific Fund.

The Manager may also be entitled to receive a performance fee in respect of a Fund, the details of which shall be specified in the Relevant Supplement. Unless otherwise described in the Supplement for a Fund, performance fees shall be calculated and accrued at each Valuation Point and shall be payable in arrears following the end of each calculation period. The calculation of any performance fee must be verified by the Depositary.

Unless otherwise set out in a Supplement, the Manager shall be responsible for the payment of any investment management or performance fees to the Investment Managers. Such fees shall be paid out of its management fees and the ICAV shall have no liability to an Investment Manager in respect of such fees.

The Manager may from time to time, at its sole discretion and out of its own resources, decide to rebate to Shareholders part or all of its Management Fee. Likewise, the Manager may from time to time, at its sole discretion and out of its own resources, decide to rebate to Shareholders part or its entire performance fee. Any such rebates may be applied by issuing additional Shares to Shareholders or in cash.

### **Administration Fees**

The ICAV will be subject to an administration fee in respect of each Fund in an amount which will not exceed 6.75 basis points (0.0675%) per annum of the Net Asset Value of the relevant Fund, subject to a minimum annual fee in respect of each Fund of up to \$78,000, plus \$3,000 per Class and a fee of \$5,000 per annum per Fund for the provision of financial statements.

In addition, the ICAV will pay the Administrator transfer agency fees of up to \$100 per annum per investor and fees for each investor transaction at normal commercial rates.

The ICAV will also reimburse the Administrator out of the assets of the relevant Fund for the provision of other services to the Fund, such as tax reporting, if required, at normal commercial rates. The ICAV will also reimburse the Administrator out of the assets of the relevant Fund for reasonable out-of-pocket expenses incurred by the Administrator.

### **Depositary Fees**

The ICAV will pay the Depositary a custody fee which will not exceed 2.25 basis points (0.0225%) per annum of the Net Asset Value of each Fund, subject to a minimum annual fee in respect of each Fund of \$18,000.

The ICAV will also reimburse the Depositary out of the assets of the relevant Fund for reasonable out-of-pocket expenses incurred by the Depositary and for transaction charges, banking and safe custody fees (which will not exceed normal commercial rates) and reasonable out-of-pocket expenses of any sub-depositary appointed by the Depositary.

### **Investment Manager Fees**

The fees and expenses of any Investment Manager which is not being paid by the Manager out of its own fees will be specified in the Relevant Supplement.

### **Distributor's Fees**

The fees and expenses payable to the Distributor, if any, will be specified in the Relevant Supplement.

### **Payment of Fees**

The fees and expenses of the Manager, Administrator, Depositary, Investment Managers and Distributor, where appropriate, will accrue on a daily basis and are payable monthly in arrears.

### **Switching between Funds**

There are no sales or distribution charges payable on an exchange of Shares in a Fund for Shares in any other Fund of the ICAV.

### **Directors' Fees**

Unless and until otherwise determined from time to time by the ICAV in a general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. At the date of this Prospectus, the aggregate amount of Directors' remuneration in any one year shall not exceed €300,000 plus VAT, if any, unless otherwise notified to Shareholders. Any additional fees necessitated by the addition of new Funds shall be apportioned equally among the new Funds and, to the extent they do not impact on Shareholders in existing Funds (on the basis that such additional fees are attributed to new Funds only), will not be subject to existing Shareholder notification. To the extent that any such additional fees do materially impact existing Shareholders, such existing Shareholders will be notified in advance of any such additional fees. In addition, any such additional fees shall be disclosed in the Relevant Supplement. All Directors will be entitled to reimbursement by the ICAV of expenses properly incurred in connection with the business of the ICAV or the discharge of their duties. Directors' fees shall be payable semi-annually in arrears and shall be apportioned equally among the Funds.

### **Subscription Fees and Redemption Fees**

The ICAV may charge a subscription fee of up to 5% of subscription monies and a redemption fee of up to 3% of redemption proceeds in relation to the Funds. Any applicable subscription fee will be deducted from the subscribers' subscription payment for the purpose of determining the net amount available for investment in Shares. Please consult "FEES AND EXPENSES" in the Relevant Supplement for further information regarding subscription fees and redemption fees.

### **Establishment and Operating Expenses**

Expenses will be allocated to the Fund or Funds to which they relate in the opinion of the Directors or their delegates. If an expense is not readily attributable to any particular Fund, the expense will be allocated to all Funds pro rata to the value of the Net Asset Value of the relevant Fund.

The Manager may, at its discretion, contribute directly towards the expenses attributable to the establishment or operation of the ICAV or any particular Fund or the marketing, distribution or sale of Shares and may from time to time at its sole discretion waive any or all of the management fees in respect of any particular payment period.

Certain costs and expenses incurred in the operation of a Fund will be borne out of the assets of the relevant Fund, including without limitation, initial establishment and set-up costs in respect of

a Fund, registration fees and other expenses relating to regulatory, supervisory or fiscal authorities in various jurisdictions, client service fees; the costs of obtaining data services for specific Funds; writing, typesetting and printing the Prospectus, sales, literature and other documents for investors; taxes and commissions; issuing, purchasing, repurchasing and redeeming Shares; the cost of establishing and maintaining a listing of Shares on a stock exchange; transfer agents, dividend dispersing agents, registrars; printing, mailing, auditing, management, accounting and legal expenses; reports to Shareholders and governmental agencies; meetings of Shareholders and proxy solicitations therefore (if any); insurance premiums; association and membership dues; expenses related to obtaining, implementing, carrying out and disposing of specialised and specific investment research for a Fund (including fees payable to third party consultants and payments which are made to a research payment account in accordance with the Markets in Financial Instruments Directive (see below) or corresponding legislation, liquidation expenses and such non-recurring and extraordinary items as may arise.

The ICAV shall also be liable for expenses including, without limitation, expenses relating to litigation costs and any tax, levy, duty or similar charge imposed on the ICAV or its assets that would otherwise not qualify as ordinary expenses. Such expenses are accounted for on a cash basis and are paid when incurred or invoiced on the basis of the Net Asset Value of each Fund to which they are attributable and allocated across each Class of Shares on a pro-rata basis.

### **Fees and Expenses Out of Capital**

Where disclosed in the Relevant Supplement, a Fund may charge all or part of its fees and expenses (including management fees) to the capital of the Fund. This will have the effect of lowering the capital value of an investment.

### **Research Payment Accounts**

Investment management firms regulated in the EU under the Markets in Financial Instruments Directive or related legislation are subject to restrictions on the way that they obtain and pay for investment research services (including access to experts and investment analysts) that they use for the benefit of their clients. Where the Manager has appointed such a firm as an Investment Manager for a Fund, the Manager may be requested to agree to the establishment of a research payment account or similar arrangement to facilitate compliance by the Investment Manager with the regulatory requirements applicable to it in relation to the provision to or obtaining of investment research services by the Investment Manager for the Fund.

Historically, investment research used by an investment firm has been paid for, if not by the firm itself, then out of amounts rebated or made available for the purpose by the brokers employed by the firm and ultimately funded out of the broker commissions paid on investment transactions effected by the firm on behalf of its clients. Where the Manager employs an Investment Manager which is not subject to MiFID regulation, this will generally continue to be the case. Where an Investment Manager is subject to MiFID, and the Manager agrees to the operation of a research payment account, it will do so in the expectation of seeing a corresponding reduction in the brokerage costs paid by the Fund.

Where an Investment Manager operates a research payment account, it will normally be funded either by direct payments from the relevant Fund or by amounts collected from brokers to which the Fund pays commission on investment trades instructed by the Investment Manager. The account will normally be held in the name of the Investment Manager and may include amounts collected from or on behalf of other clients of the Investment Manager. Amounts held in a research payment account will not be treated as client money and may be at risk in the event of an insolvency of the Investment Manager.

Where paid directly from the Fund, research charges will typically be collected on a periodic basis from the Fund on the basis of an annual budget for research payments prepared by the Investment Manager and provided to the Manager and the Directors for approval. Research costs

paid by a Fund will be disclosed in the periodic financial statements of the ICAV.

---

## Determination of Net Asset Value

---

The Net Asset Value per Share in any Fund shall be calculated by the Administrator in the Base Currency of that Fund (which shall be so specified in the Relevant Supplement) in accordance with the valuation provisions set out in the Instrument of Incorporation and summarised below. The Net Asset Value of a Fund shall be calculated by ascertaining the value of the assets of the relevant Fund and deducting from such amount the liabilities of the Fund, which shall include all fees and expenses payable or accrued or estimated to be payable out of the assets of the Fund as specified in the Relevant Supplement. The Net Asset Value per Share of a Class of Shares in a Fund shall be calculated by establishing the number of Shares issued in the Class on the relevant Valuation Point and allocating the relevant fees and Class expenses to the Class and making appropriate adjustments to take account of distributions, if any, paid out of the Fund and apportioning the Net Asset Value of the Fund accordingly.

The Net Asset Value per Share in respect of any Dealing Day with respect to each Fund shall be published on such website as shall be disclosed in the Relevant Supplement, and on or through such other media as the Directors may from time to time determine and notify to Shareholders. The Net Asset Value per Share published on the relevant website will be updated on each Business Day. The Net Asset Value per Share will also be available from the office of the Administrator.

The Valuation Point as at which prices shall be used when valuing the assets of a Fund shall be such time as may be specified in the Supplement for that Fund.

### Determination of Net Asset Value

The assets of a Fund will be valued to four decimal places as at the Valuation Point as follows:

- (a) Assets listed or traded on a recognised exchange (other than those referred to at (f) below) for which market quotations are readily available shall be valued at the last traded price on the relevant exchange, or if no last traded price is available, the latest mid-market price (provided that the Directors may, at their discretion, value long holdings of assets held for the account of a Fund at the latest bid price and short holdings at the latest offer price on any Dealing Day where redemptions to the Fund exceed, or are expected to exceed, subscriptions on that and subsequent Dealing Days or, conversely, value long holdings at the latest offer price and short positions at the latest bid price on any Dealing Day where subscriptions to the Fund exceed, or are expected to exceed, redemptions on that and subsequent Dealing Days). Where a security is listed or dealt in on more than one recognised exchange, the relevant exchange or market shall be the principal stock exchange or market on which the security is listed or dealt on or the exchange or market which the Directors determine provides the fairest criteria in determining a value for the relevant investment. Assets listed or traded on a recognised exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (b) The value of any security which is not quoted, listed or dealt in on a recognised exchange, or which is so quoted, listed or dealt but for which no such quotation or value is available, or for which the available quotation or value is not representative of the fair market value, shall be the probable realisation value as estimated with care and good faith by (i) the Directors or (ii) a competent person, firm or

corporation (including the Investment Manager) selected by the Directors and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined using matrix methodology compiled by the Directors or competent person whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.

- (c) Fixed income securities may be valued by reference to the valuation of the securities which are considered comparable in rating, yield, due date and other characteristics where reliable market quotations are not available, using a methodology which will be compiled by the Directors or their delegate.
- (d) Units or shares in collective investment schemes (including Shares in a Fund held by another Fund) shall be valued on the basis of the latest available net asset value per unit as published by the collective investment scheme
- (e) Cash in hand or on deposit will be valued at its nominal/face value plus accrued interest or less debit interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- (f) Exchange-traded derivative instruments will be valued based on the settlement price as determined by the market where the instrument is traded. If such settlement price is not available, such value shall be calculated in accordance with (b) above.
- (g) Over-the-counter ("**OTC**") Derivatives will be valued either using the counterparty's valuation or an alternative valuation, including valuation by the Directors or by an independent pricing vendor appointed by the Directors and approved for this purpose by the Depositary, which approval shall not be unreasonably withheld or delayed. OTC Derivatives shall be valued at least daily. If using the counterparty's valuation, such valuation must be approved or verified by a party independent of the counterparty (which may include the ICAV) and approved by the Depositary, which approval shall not be unreasonably withheld or delayed, on a weekly basis. If using an alternative valuation, the ICAV will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA. In the event that the ICAV opts to use an alternative valuation, the ICAV will use a competent person appointed by the Directors, approved for this purpose by the Depositary, which approval shall not be unreasonably withheld or delayed, or will use a valuation by any other means provided that the value is approved by the Depositary. All alternative valuations will be reconciled with the counterparty's valuation on at least a monthly basis. Any significant differences to the counterparty valuation will be promptly investigated and explained.
- (h) Forward foreign exchange and interest rate swap contracts may be valued by reference to freely available market quotations or, if such quotations are not available, in accordance with the provisions in respect of OTC Derivatives.
- (i) Where a Fund invests in money market instruments which have a remaining maturity of three months or less and have no specific sensitivity to market parameters, including credit risk, such securities may also be valued by using the amortised cost method of valuation. The valuation of such securities and any deviation from their marked-to-market valuations will be reviewed in accordance with the Central Bank Rules.

In determining a Fund's Net Asset Value per Share, all assets and liabilities initially expressed in foreign currencies will be converted into the Base Currency of the relevant Fund using the market rates prevailing at the Valuation Point. If such quotations are not available, the rate of exchange will be determined in accordance with policies established in good faith by the Directors.

Notwithstanding the above provisions the Directors may: (a) adjust the valuation of any particular asset; or (b) permit some other method of valuation approved by the Depositary, which approval shall not be unreasonably withheld or delayed, to be used in respect of any particular asset if, having regard to exchange rate, applicable rate of interest, maturity, marketability and/or such other considerations as they deem relevant, they consider that, in the case of (a) above, such adjustment or, in the case of (b) above, the use of such other method of valuation is required to reflect more fairly the value of such assets. The rationale for adjusting the value of any asset must be clearly documented.

Where a Class is designated in a currency other than the Base Currency, the Net Asset Value of Shares in that Class shall be calculated in the Base Currency and converted into the currency of designation of that Class at the rate which the Administrator deems appropriate in the circumstances. Changes in the exchange rate between the Base Currency of a Fund and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency.

Dividends, interest and capital gains (if any) which the ICAV receives with respect to its investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the ICAV may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the ICAV, the Net Asset Value will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of the repayment.

---

## Temporary Suspension of Dealings

---

The Directors may at any time temporarily suspend the issue, valuation, sale, purchase, redemption, repurchase and exchange of Shares during:

- (a) any period when any Recognised Market on which a substantial portion of the investments for the time being comprised in the relevant Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings in any such Recognised Market are restricted or suspended;
- (b) any period where, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the ICAV, the disposal or valuation of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interest of Shareholders;
- (c) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the relevant Fund or during any period when for any other reason the value of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Directors, be promptly or accurately ascertained;
- (d) any period when the ICAV is unable to repatriate funds for the purposes of making redemption or purchase payments or during which the realisation of investments for the time being comprised in the relevant Fund, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;
- (e) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the relevant Fund or the remaining shareholders in such Fund; or
- (f) any period following the service of a notice convening a meeting of the Shareholders at which a resolution is proposed to terminate a Fund or the ICAV.

Notice of any such suspension shall be notified without delay to the Central Bank. Shareholders, who have requested the issue, purchase or redemption of Shares in any Fund will have their request dealt with on the first Dealing Day after the suspension has been lifted unless such requests have been withdrawn prior to the lifting of the suspension. All reasonable steps will be taken to bring any period of suspension to an end as soon as possible. If in the opinion of the Directors the suspension is likely to exceed thirty days, it shall be notified as soon as practicable thereafter to any Shareholders affected by such suspension.

---

## Termination of Funds

---

Any Fund may be terminated by the Directors, in their sole and absolute discretion, in any of the following events:

- (a) if any Fund shall cease to be authorised or otherwise officially approved;
- (b) if any law shall be passed or regulatory requirement introduced which renders it illegal or in the opinion of the Directors impracticable or inadvisable or not commercially viable or excessively onerous from a compliance perspective to continue the relevant Fund;
- (c) if there is a change in material aspects of the business environment or in the economic or political situation relating to a Fund which the Directors consider would have material adverse consequences on the investments of the Fund;
- (d) if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders;
- (e) if the Net Asset Value in any Fund has decreased to, or has not reached the Minimum Net Asset Value;
- (f) in the circumstances outlined under "Redeeming Shares".

The decision of the Directors in any of the events specified herein shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to terminate the relevant Fund pursuant to points (a) to (f) above or otherwise.

The Directors shall give notice of termination of a Fund to the Shareholders in the relevant Fund and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine.

With effect on and from the date of the relevant notice of termination, no Shares of the relevant Fund may be issued or sold by the ICAV unless the Directors determine otherwise.

---

## Taxation

---

### General

The following statements on taxation are with regard to the law and practice in force in Ireland and the United Kingdom at the date of this document and do not constitute legal or tax advice to Shareholders or prospective Shareholders. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the ICAV is made will endure indefinitely, as the basis for and rates of taxation can fluctuate.

Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and repurchase of, Shares in the places of their citizenship, residence and domicile.

The Manager recommends that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the ICAV and any investment returns from those Shares.

### Ireland

#### (a) Taxation of the ICAV

The Directors have been advised that the ICAV is an investment undertaking within the meaning of section 739B TCA and therefore is not chargeable to Irish tax on its relevant income or relevant gains so long as the ICAV is resident for tax purposes in Ireland. The ICAV will be resident for tax purposes in Ireland as it is centrally managed and controlled in Ireland. The Directors of the ICAV intend to conduct the affairs of the ICAV so as to maintain its central management and control in Ireland.

The income and capital gains received by the ICAV from securities issued in countries other than Ireland or assets located in countries other than Ireland may be subject to taxes including withholding tax in the countries where such income and gains arise. The ICAV may not be able to benefit from reduced rates of withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The Directors will have sole discretion as to whether the ICAV will apply for such benefits and may decide not to apply for such benefits if they determine that it may be administratively burdensome, cost prohibitive or otherwise impractical.

In the event that the ICAV receives any repayment of withholding tax suffered, the Net Asset Value of the ICAV will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of repayment.

Notwithstanding the above, a charge to tax may arise for the ICAV on the happening of a "**Chargeable Event**" in respect of an Irish Resident Shareholder (see "Taxation of Shareholders" below) in the ICAV.

A Chargeable Event includes:

- (i) any payment to a Shareholder by the ICAV in respect of their Shares;
- (ii) any transfer, cancellation, redemption or repurchase of Shares; and
- (iii) any deemed disposal by a Shareholder of their Shares at the end of a "relevant period" (a "**Deemed Disposal**").

A "**relevant period**" is a period of eight years beginning with the acquisition of Shares by a Shareholder and each subsequent period of eight years beginning immediately after the preceding relevant period.

A Chargeable Event does not include:

- (i) any transaction in relation to Shares held in a recognised clearing system;
- (ii) any exchange by a Shareholder effected by way of a bargain made at arm's length by the ICAV, of Shares in the ICAV for other Shares in the ICAV;
- (iii) certain transfers of Shares between spouses or civil partners and former spouses or former civil partners;
- (iv) an exchange of Shares arising on a qualifying amalgamation or reconstruction of the ICAV with another Irish investment undertaking; or
- (v) the cancellation of shares in the ICAV arising from an exchange in relation to a scheme of amalgamation (as defined in section 739HA).

On the happening of a Chargeable Event, the ICAV shall be entitled to deduct the appropriate amount of tax on any payment made to a Shareholder in respect of the Chargeable Event. On the occurrence of a Chargeable Event where no payment is made by the ICAV to the Shareholder, the ICAV may appropriate or cancel the required number of Shares to meet the tax liability.

Where the Chargeable Event is a Deemed Disposal and the value of Shares held by Irish Resident Shareholders in the ICAV is less than 10% of the total value of Shares in the ICAV (or a Fund) and the ICAV has made an election to the Revenue Commissioners to report annually certain details for each Irish Resident Shareholder, the ICAV will not be required to deduct the appropriate tax and the Irish Resident Shareholder (and not the ICAV) must pay the tax on the Deemed Disposal on a self-assessment basis. Credit is available against appropriate tax relating to the Chargeable Event for appropriate tax paid by the ICAV or the Shareholder on any previous Deemed Disposal. On the eventual disposal by the Shareholder of the Shares, a refund of any unutilised credit will be payable.

(b) **Taxation of Shareholders**

*Non-Irish Resident Shareholders*

Non-Irish Resident Shareholders will not be chargeable to Irish tax on the happening of a Chargeable Event provided that either:

- (vi) the ICAV is in possession of a completed Declaration to the effect that the Shareholder is not an Irish Resident, or
- (vii) the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide a Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn by the Revenue Commissioners.

If the ICAV is not in possession of a Declaration or the ICAV is in possession of information which would reasonably suggest that the Declaration is not or is no longer materially correct, the ICAV must deduct tax on the happening of a Chargeable Event in relation to such Shareholder. The tax deducted will generally not be refunded.

Intermediaries acting on behalf of non-Irish Resident Shareholders can claim the same exemption on behalf of the Shareholders for whom they are acting. The intermediary must complete a Declaration that it is acting on behalf of a non-Irish Resident Shareholder.

A non-Irish Resident corporate Shareholder which holds Shares directly or indirectly through or for a trading branch or agency of the Shareholder in Ireland will be liable for Irish corporation tax on income from the Shares or gains made on the disposal of the Shares.

### *Exempt Investors*

The ICAV is not required to deduct tax in respect of an Exempt Investor so long as the ICAV is in possession of a completed Declaration from those persons and the ICAV has no reason to believe that the Declaration is materially incorrect. The Exempt Investor must notify the ICAV if it ceases to be an Exempt Investor. Exempt Investors in respect of whom the ICAV is not in possession of a Declaration will be treated by the ICAV as if they are not Exempt Investors.

While the ICAV is not required to deduct tax in respect of Exempt Investors, those Exempt Investors may themselves be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares, depending on their circumstances. It is the obligation of the Exempt Investor to account for such tax to the Revenue Commissioners.

### *Irish Resident Shareholders*

Irish Resident Shareholders (who are not Exempt Investors) will be liable to tax on the happening of a Chargeable Event. Tax at the rate of 41% will be deducted by the ICAV on payments made to the Shareholder in relation to the Shares or on the sale, transfer, Deemed Disposal (subject to the 10% threshold outlined above), cancellation, redemption or repurchase of Shares or the making of any other payment in respect of the Shares.

An Irish Resident Shareholder who is not a company and is not an Exempt Investor will not be liable to any further income or capital gains tax in respect of any sale, transfer, Deemed Disposal, cancellation, redemption or repurchase of Shares or the making of any other payment in respect of their Shares.

Where the Irish Resident Shareholder is a company which is not an Exempt Investor, and the payment is not taxable as trading income under Schedule D Case I, the amount received will be treated as the net amount of an annual payment chargeable to tax under Schedule D Case IV from the gross amount of which income tax has been deducted. The rate of tax applicable to a Chargeable Event in respect of any Irish tax resident corporate investor in this instance is 25%, provided the corporate investor has made a declaration to the ICAV including its Irish tax reference number.

Where the Irish Resident Shareholder is a company which is not an Exempt Investor, and the payment is taxable as trading income under Schedule D Case I, the following provisions apply:

- (i) the amount received by the Shareholder is increased by any amount of tax deducted by the ICAV and will be treated as income of the Shareholder for the chargeable period in which the payment is made;
- (ii) where the payment is made on the sale, transfer, Deemed Disposal, cancellation, redemption or repurchase of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares; and
- (iii) the amount of tax deducted by the ICAV will be set off against the Irish corporation tax assessable on the Shareholder in respect of the chargeable period in which the payment is made.

### *Personal Portfolio Investment Undertaking*

An investment undertaking will be considered to be a personal portfolio investment undertaking (PPIU) in relation to a specific Irish Resident Shareholder where that Irish Resident Shareholder can influence the selection of some or all of the property of the undertaking. The undertaking will only be a PPIU in respect of those Irish Resident Shareholders who can influence the selection of investments for the undertaking. There are no such shareholders at the date of this prospectus. A gain arising on a Chargeable

Event in relation to a PPIU will be taxed at the rate of 60%. An undertaking will not be considered to be a PPIU where certain conditions are complied with as set out in section 739BA TCA.

#### *Currency Gains*

Where a currency gain is made by an Irish Resident Shareholder on the disposal of Shares that Shareholder may be liable to capital gains tax in respect of any chargeable gain made on the disposal.

#### *Stamp Duty*

On the basis that the ICAV qualifies as an investment undertaking within the meaning of section 739B TCA, no Irish stamp duty will be payable on the subscription, transfer or repurchase of Shares. The stamp duty implications for subscriptions for Shares or transfer or repurchase of Shares in specie should be considered on a case by case basis.

#### *Capital Acquisitions Tax*

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Shares provided that:

- (iv) at the date of the disposition the transferor of the Shares is neither domiciled nor ordinarily resident in Ireland, and at the date of the gift or inheritance, the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and
- (v) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date.

### (c) **Other Tax Matters**

#### *Automatic Exchange of Information*

The ICAV is obliged, pursuant to the IGA, Council Directive 2011/16/EU, section 891E, section 891F and section 891G of the TCA and regulations made pursuant to those sections, to collect certain information about its investors.

The ICAV will be required to provide certain information to the Revenue Commissioners in relation to the investors (including information in respect of the investor's tax residence status) and also in relation to accounts held by investors. For further information on FATCA or CRS please refer to the website of the Revenue Commissioners at [www.revenue.ie/en/business/aeoi/index.html](http://www.revenue.ie/en/business/aeoi/index.html).

Further detail in respect of FATCA and CRS is set out below.

#### *FATCA Implementation in Ireland*

The IGA provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish Residents. The ICAV is subject to these rules. Complying with such requirements requires the ICAV to request and obtain certain information and documentation from its Shareholders, other account holders and (where applicable) the beneficial owners of its Shareholders and to provide any information and documentation indicating direct or indirect ownership by U.S. Persons to the competent authorities in Ireland. Shareholders and other account holders will be required to comply with these requirements, and non-complying Shareholders may be subject to compulsory redemption and/or U.S withholding tax of 30% on withholdable payments and/or other monetary penalties.

The IGA provides that Irish financial institutions will report to the Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the IRS in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.

The ICAV (or any of its duly appointed agents) shall be entitled to require Shareholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the ICAV may have as a result of the IGA or any legislation promulgated in connection with the IGA and Shareholders will be deemed, by their subscription for or holding of Shares to have authorised the automatic disclosure of such information by the ICAV or any other person to the relevant tax authorities.

#### *OECD Common Reporting Standard*

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the Certain Information by Reporting Financial Institutions Regulations 2015 (the "**CRS Regulations**").

CRS is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

Ireland and a number of other jurisdictions have entered or will enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the OECD. The ICAV is required to provide certain information to the Revenue Commissioners about investors resident or established in jurisdictions which are party to CRS arrangements.

The ICAV, or a person appointed by the ICAV, will request and obtain certain information in relation to the tax residence of its shareholders or "account holders" for CRS purposes and (where applicable) will request information in relation to the beneficial owners of any such account holders. The ICAV, or a person appointed by the ICAV, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions.

#### (d) **Certain Irish Tax Definitions**

##### *Residence – Company (which includes any body corporate, including an ICAV)*

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country. In certain limited circumstances, companies incorporated in Ireland but managed and controlled outside of a double taxation treaty territory may not be regarded as resident in Ireland. Specific rules may apply to companies incorporated prior to 1 January 2015.

##### *Residence – Individual*

The Irish tax year operates on a calendar year basis.

An individual will be regarded as being resident in Ireland for a tax year if that individual:

- (i) spends 183 days or more in Ireland in that tax year; or
- (ii) has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that tax year together with the number of days spent in Ireland in the preceding tax year.

Presence in a tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any point in time during the particular day in question.

##### *Ordinary Residence – Individual*

The term "ordinary residence", as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which that individual is not resident in Ireland. Thus, an individual who is resident and ordinarily resident in Ireland in 2014 will remain ordinarily resident in Ireland until the end of the tax year 2017.

#### *Intermediary*

means a person who:-

- (i) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- (ii) holds shares in an investment undertaking on behalf of other persons.

### **United Kingdom**

**Warning:** This section does not cover tax implications for UK resident individual investors that are not domiciled in the UK or any financial traders or any other investors that may hold shares in the ICAV in the course of their trade or profession. In addition, the summary only addresses the tax consequences for UK investors who hold shares as an investment and not as trading stock. It does not deal with the position of certain classes of investors such as life insurance companies, trusts, persons who have acquired their shares by reason of their or another's employment, and UK authorised investment funds investing in the ICAV.

It is based on UK tax legislation and the known current HM Revenue & Customs ("**HMRC**") interpretation thereof. This can vary according to individual circumstances and is subject to change. It is intended as a guide only and not a substitute for professional advice. It does not purport to be a complete analysis of all tax considerations relating to the holding of shares. The information given below does not constitute legal or tax advice, and prospective investors should consult their own professional advisers as to the implications of subscribing for, purchasing, holding, switching or disposing of shares under the laws of any jurisdiction in which they may be subject to tax.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the ICAV is made will endure indefinitely. The statements are based on current tax legislation, together with HMRC practice, all of which are subject to change at any time - possibly with retrospective effect.

#### **1 Nature of investment**

Investors will acquire shares in a particular Fund of the ICAV. The ICAV is authorised as a UCITS scheme in Ireland by the Central Bank in Ireland.

#### **2 Taxation status of the ICAV**

The ICAV is not a transparent entity for UK taxation purposes. The Directors intend to conduct the affairs of the ICAV so that it does not become resident in the UK and does not carry on a trade within the UK for UK taxation purposes. Further comfort can also be obtained from the relieving provisions of s363A Taxation (International and Other Provisions) Act 2010. Accordingly, whilst the position cannot be guaranteed, the ICAV should not be subject to UK income tax or corporation tax other than on certain UK source income.

If the ICAV should invest in UK investments, any UK source income arising may be subject to UK withholding tax depending on the nature of those investments and whether the ICAV can make a valid treaty claim to avoid or minimise such withholding tax.

### 3 UK taxation classifications

Each share class of the ICAV should be treated as a separate "offshore fund" for the purposes of the UK offshore companies tax regime in Section 355 of the Taxation (International and Other Provisions) Act 2010. The UK's reporting fund regime, which is contained in the Offshore Funds (Tax) Regulations 2009 (Statutory Instrument 2009/3001), therefore applies to these share classes.

In broad terms, a 'reporting fund' is an offshore fund that meets certain upfront and annual reporting requirements to HMRC and its Shareholders.

The Offshore Funds (Tax) Regulations 2009 (SI2009/3001) provide that if an individual investor resident in the UK for taxation purposes holds an interest in an offshore fund and that offshore fund is a 'reporting fund' for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest should be subject to tax as a capital gain rather than income, with relief for any accumulated or reinvested profits which have already been subject to UK income tax or corporation tax on income. Alternatively, where an investor resident in the UK holds an interest in an offshore fund and that offshore fund is a 'non-reporting fund', any gain accruing to that investor upon the sale or other disposal of that interest will be charged to UK tax as 'offshore income gains' at their marginal rate of tax rather than a capital gain.

The intention of the Directors is, where reasonably possible and considered to be beneficial for the shareholders of any share class of the ICAV, to obtain UK reporting fund status for that share class from the date of its launch and, in such circumstances, application for UK reporting fund status will be made to HMRC.

Under the reporting fund regime, for UK taxpayers to secure capital gains tax treatment on the disposal of their investment in shares in a share class of the ICAV, that share class would need to be registered as a UK reporting fund throughout the entire period the UK taxpayer held their investment.

Where reporting fund status is obtained for a share class of the ICAV, the Directors will take all steps that are practicable and consistent both with the laws and regulatory requirements of Ireland and the UK and with the investment objectives and policies of the ICAV, to ensure that, in respect of each relevant share class, reporting fund status is retained on an annual basis. It must be appreciated, however, that no assurance can be given as to whether such approval will, in practice, be granted in the first instance (for any share class that is not currently registered with HMRC as a UK reporting fund), and retained in respect of any particular accounting period, especially since the exact conditions that must be fulfilled for the ICAV to obtain that reporting fund status may be affected by changes in HMRC practice or by subsequent changes to the relevant provisions of UK tax legislation. If reporting fund status is revoked by HMRC for any UK reporting fund share class ("**RFSC**"), that RFSC will be unable to regain reporting fund status and will thereafter be permanently outside the reporting fund regime.

An application for UK reporting fund status for any share class of the ICAV must be received by HMRC by the later of (i) the end of the first period of account in which the Directors wish that share class to be registered as a RFSC, and (ii) the expiry of a period of three months beginning with the first day on which interests in the relevant share class are made available to investors resident in the UK, if later.

In the event that the Directors decide not to apply to HMRC for UK reporting fund status for any share class of the ICAV for the period of account for which reporting fund status is required / requested it should be noted that UK reporting fund status cannot be obtained retrospectively for any period and would therefore generally only be available from the period in which the Directors made the appropriate applications to HMRC (and future periods).

Where an offshore fund has been a non-reporting fund for part of the time during which the UK Shareholder held their interest and a reporting fund for the remainder of that time,

there are elections available to the Shareholder to enable any gain arising during the period the offshore fund has reporting fund status to be taxed as a capital gain. Such elections have specified time limits in which they must be made, and these time limits that are based around the date of change in status of the relevant share class from non-reporting to reporting.

The comments below in relation to the UK taxation of UK resident investors in the ICAV include some comments in relation to the UK taxation implications of UK resident investors in both RFSC and non-RFSC of the ICAV.

#### **4 Impact of investing in other Collective Investment Schemes by the ICAV**

Special rules apply in certain circumstances for determining the reportable income of the RFSC of a Fund where the Fund invests in other funds which are themselves registered with HMRC as UK reporting funds. Any income physically received from such funds, along with their proportionate share of the "reported income" of the UK reporting fund invested in (calculated in accordance with the UK reporting fund regime) must be included in the reportable income of each share class of the investing Fund for the relevant period.

However, where a Fund invests in a non-reporting fund, the ICAV has two options regarding how this holding is treated in their UK reporting fund calculations. Which option is chosen depends on whether 'sufficient information' on the underlying investment is available to allow the ICAV to calculate the "reportable income" that would have arisen if the underlying fund had UK reporting fund status.

If sufficient information is available, it is possible to calculate the "reported income" of the underlying fund as if it was registered with HMRC as a UK reporting fund, and include the share classes' proportionate share of that "reported income" in its own reportable income calculations as above.

If sufficient information is not available, then each share class in the investing Fund must bring its proportionate share of the fair value increase (or decrease) of its holding in the underlying fund over the Fund's accounting period (i.e. it computes the fair value at the beginning of the period and deducts that amount from the fair value at the end of the period) into account as 'income' in their UK reporting fund calculations. This would result in the share classes of the investing Fund including this amount in the calculation of income reported to its Shareholders, which would generally be unfavourable for taxpaying UK Shareholders.

#### **5 Taxation of UK resident investors**

Persons within the charge to UK corporation tax should note that under the UK 'loan relationships regime' if at any time in an accounting period of such a person, that person holds an interest in an "offshore fund" and there is a time in that period when that fund fails to satisfy the "qualifying investments test", the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime.

An offshore fund fails to satisfy the "qualifying investments test", at any time when more than 60 per cent of its assets by market value (excluding cash awaiting investment) comprise "qualifying investments". Qualifying investments include government and corporate debt securities or cash on deposit or certain derivative contracts and holdings in other collective investment schemes which at any time in the accounting period of the person holding the interest in the offshore fund do not themselves satisfy the "qualifying investments test". On the basis of the investment policy of some Funds, the share classes of these Funds may constitute such interests in an offshore fund and could fail to satisfy the "qualifying investments test".

## 5.1 Capital gains – general principles

The relevance of reporting fund status for UK tax resident shareholders is that gains realized by investors on disposals of investments in RFSC shares, which retain their reporting fund status for the entire period in which the investor holds the investment, will in most circumstances be treated as a 'capital disposal' for UK taxation purposes.

### (a) UK individual investors in RFSC

Individual shareholders who are resident and domiciled in the UK for tax purposes may be liable to capital gains tax in respect of capital disposals of their RFSC shares.

Any capital increase in the value of the shares realised on eventual sale (when compared to deductible costs) is likely to be taxable under the UK capital gains code (current headline rate of 20%), subject to the availability of various exemptions and/or reliefs. Deductible costs should include the amount initially paid for the shares, as well as any accumulated and not distributed amounts that have been taxable as income in the hands of the individual, via the annual reported income of the share class.

### (b) UK corporate investors in RFSC

UK corporates may be liable to UK corporation tax at their marginal rate in respect of capital disposals of RFSC shares.

The deemed distributions received by the corporate throughout their period of ownership of the RFSC shares may in certain circumstances represent additional base cost on sale of the RFSC shares.

For any Fund that fails to satisfy the "qualifying investments test", the share classes of that Fund will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the shares (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a "fair value accounting" basis. Accordingly, any person within charge to corporation tax who acquires shares may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of shares).

## 5.2 Income and deemed distributions – general principles

The dividend policy of each Fund shall be set out in the Relevant Supplement. Broadly speaking, an investor will be taxed on income accruing in a RFSC on an annual basis, rather than when it is distributed to the investor. This is the case irrespective of whether any income is physically distributed to a RFSC shareholder in any period in respect of their holding.

UK investors will be viewed as receiving income equivalent to their proportionate share of the "reported income" of the RFSC; and the tax point for any "reported income" should be the date falling six months after the end of the reporting period. Credit is given for actual dividends paid in calculating the reported income.

Actual dividends received by the investor for any period will also be taxable.

Dividends and other income distributions paid to UK resident and domiciled individual shareholders in respect of shares in any share class of a Fund that fails to satisfy the "qualifying investments test" may instead be taxed as 'interest' (as opposed to 'dividends'). If such dividends are taxed as 'interest' no tax credit

would be available in respect of the dividend and the current applicable rates of tax would be 20% for basic rate tax payers, 40% for higher rate taxpayers and 45% for additional rate taxpayers

For any share class of a Fund that satisfies the "qualifying investments test", the excess of reported income over actual distributions should be viewed as foreign dividends for UK taxation purposes. For any share class of a Fund that fails to satisfy the "qualifying investments test" the excess of reported income over actual distributions should be viewed as interest income for UK taxation purposes.

In certain specified circumstances, investors in receipt of dividends can be viewed as receiving trading income. This taxation section assumes that all investors will be viewed as holding the shares as investment assets and that the dividends are treated as investment, rather than trading, income for tax purposes.

### 5.3 UK individual investors

There are currently three rates of UK income tax charged on gross dividends received by UK individuals, with the rate payable depending on whether the individual pays tax at the basic rate, the higher rate or additional rate. A tax credit equivalent to 1/9th of the deemed net distribution may be available in certain circumstances. This tax credit, if available, can be offset against the income tax payable on the deemed dividend but cannot give rise to a cash refund from HMRC.

### 5.4 UK corporate investors

UK corporate investors may be exempt from UK corporation tax if the deemed distribution from the RFSC falls within one of the dividend exemption categories for corporate recipients. If the deemed dividends do not fall within one of the dividend exemption categories, then they are likely to represent taxable income in the hands of the corporate investor at their marginal rate of UK corporation tax.

As stated above, for any Fund that fails to satisfy the "qualifying investments test", the share classes of that Fund will be treated for corporation tax purposes as within the loan relationships regime, and taxed as noted in D.1.2 above.

### 5.5 UK exempt investors

Some investors (e.g. approved pension funds) may be exempt from tax. Different rules may also apply in the case of certain non-residents (for more details, please consult your tax advisor).

## 6 UK resident investors in non-RFSC

### 6.1 Capital gains

UK tax resident shareholders may be liable to capital gains tax in respect of capital disposals of their non-RFSC shares. In broad terms, gains realised on disposals of investments in non-RFSC are likely to be taxable as an income receipt (without credit for any indexation which would otherwise be available) under the UK offshore fund regime. Any amounts taxable as an income receipt should be deductible from the proceeds from a capital gains tax perspective.

### 6.2 Income received from non-RFSC

A UK tax resident investor in a non-RFSC should only have a potential liability to UK tax in respect of actual distributions received. The tax point for such distributions is likely to be the date on which such distributions were paid. These

distributions should be viewed as foreign dividend income for UK individual investors.

Dividends and other income distributions paid to UK resident and domiciled individual shareholders in respect of shares in any share class of a Fund that fails to satisfy the "qualifying investments test" may instead be taxed as 'interest' (as opposed to 'dividends'). If such dividends are taxed as 'interest', no tax credit would be available in respect of the dividend and the current applicable rates of tax would be 20% for basic rate tax payers, 40% for higher rate taxpayers and 45% for additional rate taxpayers.

As noted above, UK resident corporate shareholders within the charge to UK corporation tax should note that under the loan relationships regime, if at any time in an accounting period they hold an interest in any share class that fails to satisfy the "qualifying investments test", that interest will be treated for that period as if it were rights under a creditor relationship for the purposes of the regime – which is likely to mean total returns from the share class are subject to corporation tax on a mark-to-market basis, and the offshore income gain regime should not apply.

### 6.3 UK exempt investors

Some investors (e.g. approved pension funds) may be exempt from tax. Different rules may also apply in the case of certain non-residents (for more details, please consult your tax advisor).

## 7 Certain UK anti-avoidance legislation

The UK tax legislation contains a wide range of anti-avoidance legislation which could, depending on the specific circumstances of an investor, apply to shareholdings in the ICAV. The comments below are not intended to be an exhaustive list of such anti-avoidance legislation, or a comprehensive summary of any of the provisions referred to. Investors who are concerned about the potential application of these provisions, or any other UK anti-avoidance provisions should seek detailed tax advice based on their own circumstances. However, as a high level guide the attention of prospective UK tax resident shareholders is particularly drawn to the following anti-avoidance provisions.

### 7.1 Section 13 of the Taxation of Chargeable Gains Act 1992 ("Section 13")

Section 13 applies to a "participator" in a company for UK taxation purposes (the term "participator" includes, but is not limited to, a shareholder) if the company is controlled by a sufficiently small number of persons such that, if it were a body corporate resident in the UK for taxation purposes, it would be a "close company".

If at any time when (i) a gain accrues to the ICAV which constitutes a chargeable gain for UK purposes (such as on a disposal by the ICAV of any of its investments) and (ii) the provisions of Section 13 apply; a participator can be treated for the purposes of UK taxation as if a part of any chargeable gain accruing to the ICAV had accrued to that shareholder directly. The gain accruing to the shareholder is equal to the proportion of the gain that corresponds to that shareholder's proportionate interest in the ICAV as a participator. A shareholder could therefore incur a liability to tax even if the gain accruing to the ICAV had not been distributed by the ICAV. No liability under Section 13 will be incurred by such a shareholder, however, where the proportionate interest of the shareholder in the company, together with their associates, means that 25% or less of the chargeable gain is apportioned to them under the Section 13 rules.

## 7.2 **Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 (transfer of assets abroad)**

The attention of individuals resident in the UK for taxation purposes is drawn to the provisions of Chapter 2 of Part 13 of the UK Income Tax Act 2007 (transfer of assets abroad). These provisions are aimed at preventing the avoidance of income tax by individuals through the transfer of assets or income to persons (including companies) resident or domiciled outside the UK. These provisions may render them liable to taxation in respect of undistributed amounts which would be treated as UK taxable income and profits of the ICAV (including, if the ICAV or any company thereof were treated as carrying on a financial trade, profits on the disposition of securities and financial profits) on an annual basis. We would not expect these provisions to apply to income relating to a share class which has been certified by HMRC as a RFSC. Where a share class has not been certified as a RFSC, the provisions could apply but there are potential exemptions available where the transactions are genuine commercial transactions and avoidance of tax was not the purpose or one of the purposes for which the transactions were effected.

## 7.3 **Controlled foreign companies**

Corporate Shareholders resident in the UK for taxation purposes should also note that the "controlled foreign companies" legislation contained in Part 9A of TIOPA 2010 could apply to any UK resident company which is, either alone or together with persons connected or associated with it for taxation purposes, deemed to be interested in 25 per cent or more of any chargeable profits of a non-UK resident company, where that non-UK resident company is controlled by residents of the UK and meets certain other criteria (broadly that it is resident in a low tax jurisdiction). "Control" is defined in Chapter 18, Part 9A of TIOPA 2010. The effect of these provisions could be to render such Shareholders liable to UK corporation tax in respect of the income of the ICAV.

## 7.4 **Transaction in Securities**

The attention of shareholders is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010 that could apply if shareholders are seeking to obtain tax advantages in prescribed conditions.

## 8 **UK stamp duty**

The following comments are intended as a guide to the general UK stamp duty position and may not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to which special rules apply.

Because the ICAV is not incorporated in the UK and the register of holders of shares will be kept outside the UK, no liability to stamp duty reserve tax should arise by reason of the transfer, subscription for or redemption of shares. Liability to stamp duty will not arise provided that any instrument in writing transferring shares in the ICAV is executed and retained at all times outside the UK.

## 9 **Other Jurisdictions**

The tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. **The Directors strongly recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the ICAV and any investment returns from those Shares.**

---

## The ICAV

---

### General

The ICAV has delegated the day to day management and running of the ICAV to the Manager in accordance with policies approved by the Directors. The Administrator and each of the Investment Managers have been appointed by the Manager and the ICAV has appointed the Depositary to fulfil certain functions.

### The Manager

Pursuant to the Management Agreement, the Manager has been appointed as manager of the ICAV. Under the terms of the Management Agreement, the Manager has the responsibility for the management and administration of the ICAV's affairs. The Manager, MLC Management Limited, is a private limited company established in Ireland on 6 February 2015. The Manager is a member of the ML group of companies and is engaged in the business of providing management and administrative services to collective investment schemes.

The Manager is responsible for the general management and administration of the ICAV's affairs and for ensuring compliance with the UCITS Regulations, including investment and reinvestment of each Fund's assets, having regard to the investment objective and policies of each Fund. However, pursuant to the Administration Agreement, the Manager has delegated certain of its administration and transfer agency functions in respect of each Fund to the Administrator. Furthermore, pursuant to an Investment Management Agreement for each Fund, the Manager has delegated certain investment management functions in respect of the Fund to a specific Investment Manager for that Fund.

The Management Agreement may be terminated by either party on giving not less than ninety (90) days' prior written notice to the other party. The Management Agreement may also be terminated forthwith by either party giving notice in writing to the other party in certain circumstances as outlined in the Management Agreement, including insolvency or the happening of a like event affecting either party.

The Manager shall not be liable to the ICAV or any Shareholder of the ICAV or otherwise for any loss suffered by the ICAV or any such Shareholder in connection with the performance or non-performance of the Manager's duties or otherwise in connection with the subject matter of the Management Agreement or any matter or thing done or omitted to be done by the Manager in pursuance thereof, unless such loss or disadvantage arises from negligence, bad faith, wilful default or fraud in the performance or non-performance by the Manager of its obligations or duties. Notwithstanding the above, the Manager shall not be liable in respect of (i) any indirect, special or consequential damages suffered by the ICAV or any Shareholder of the ICAV or (ii) any action taken or omission made in accordance with specific instructions, advice or directions issued by the ICAV. The Manager accepts no responsibility for any loss to the ICAV arising out of any action of brokers, dealers, counterparties, clearing houses or securities depositories.

The ICAV shall, out of the assets of the relevant Fund, indemnify and keep indemnified and hold harmless the Manager and each of its directors, officers, members, servants, employees, agents and appointees from and against any and all actions, obligations, liabilities, tax, proceedings, debts, claims, demands, suits, losses, damages, judgements, costs, expenses and disbursements (including reasonable legal and professional fees and expenses arising therefrom or incidental thereto) of any kind or nature whatsoever which may be made or brought against or directly or indirectly suffered or incurred by or asserted against the Manager in the performance or non-performance of its obligations or duties or otherwise in connection with the subject matter of the Management Agreement, save as a result of negligence, bad faith, wilful default or fraud in the performance or non-performance of its obligations or duties. If the ICAV requires the Manager

to take any action of whatsoever nature which in the reasonable opinion of the Manager might render the Manager liable for the payment of money or liable in any other way, the Manager shall be indemnified and held harmless by the ICAV in any reasonable amount and form satisfactory to the Manager as a prerequisite to taking such action.

The Manager is also the entity that primarily promotes the ICAV.

### **The Directors**

The Directors are responsible for managing the business affairs of the ICAV. The Directors have delegated certain of their powers, duties, discretions or functions to the Manager, which will in turn delegate the management of the assets and investments of each Fund to the Investment Manager appointed in respect of that Fund. The Directors have delegated the day-to-day administration of the ICAV's affairs, including the calculation of the Net Asset Value and the Net Asset Value per Share, shareholder registration and transfer agency duties to the Administrator. The Directors have also delegated responsibility on a non-exclusive basis for the marketing, distribution and sale of Shares to the Distributor. Additional distributors, which may include the relevant Investment Manager, may be appointed to a Fund.

The ICAV has granted indemnities to the Directors in respect of any loss or damages which they may suffer save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the ICAV. The Instrument of Incorporation does not stipulate a retirement age for Directors and does not provide for retirement of Directors by rotation. The address of the Directors is the registered office of the ICAV.

The Directors are listed below with their occupations.

#### **Cyril Delamare (UK Resident)**

Cyril Delamare is the Chief Executive Officer of the ML group of companies, which includes the Manager and the Distributor. Prior to co-founding the ML group, Mr. Delamare was a Partner and CEO at Tara Capital, a leading global distributor of hedge funds which helped money management clients attract over \$3 billion in new assets. Mr. Delamare's responsibilities at Tara included directing a multilingual institutional sales team of 20, manager sourcing and selection and due diligence. He has covered investors and run coverage groups across every region of Europe since 2000 with a particular focus on France and Switzerland. Mr. Delamare gained a degree in International Business from L'Institut Supérieur Européen de Gestion et de Commerce (ISEG) in Lyon, France.

#### **Teddy Otto (Irish Resident)**

Teddy Otto is a principal consultant with Carne Global Financial Services Limited, a leading business advisor to global asset managers. He specialises mainly in product development, fund establishment and risk. Before joining Carne Global Financial Services Limited, Mr. Otto was employed by the Allianz Dresdner Bank group in Ireland for six years. During this time, he acted as Head of Fund Operations, Head of Product Management and was appointed as a director of the Irish management company for Allianz Global Investors and a range of Irish and Cayman domiciled investment companies. He had previously held senior positions in the areas of market data and custody at Deutsche International (Ireland) Limited and worked in the investment banking division of Deutsche Bank, Frankfurt. He spent over six years at Deutsche Bank group. Prior to that, he was employed with Bankgesellschaft Berlin for two years. He holds a degree in business administration from Technische Universität Berlin.

#### **David Hammond (Irish Resident)**

Mr. Hammond is the General Counsel for the ML Group. Mr. Hammond has over 25 years' experience in the fund management industry, having formerly been employed as Managing Director of Bridge Consulting Limited, and before that as Chief Operating Officer of Sanlam Asset Management (Ireland) Limited, part of the Sanlam group of South Africa, and as a Director of Legal and Business Development with International Fund Managers (Ireland) Limited, the Irish fund administration subsidiary of Baring Asset Management which is now part of Northern Trust.

Mr. Hammond is a CFA Charterholder and a solicitor and holds a law degree from Trinity College Dublin and an MBA from Smurfit Graduate School of Business, University College Dublin.

#### **Barry Kenny (Irish Resident)**

Mr. Kenny is the senior executive in Brookdale Partners and an economist by training. Brookdale Partners Limited is a private Irish company which has specialized in investing in commercial real estate in Europe. Mr. Kenny holds degrees from the National University of Ireland and Trinity College, Dublin University. He was made a scholar by the Senate of the National University of Ireland in 1981. Having spent the early part of his career working as an economist for the Irish Government in the Finance Ministry, Mr. Kenny subsequently moved into the private sector and the financial markets and held senior positions with Citicorp Investment Bank, the Bank of Ireland group and ABNAmro; he has also acted as strategist for a global macroeconomic hedge fund. Mr. Kenny is currently chairman of a Danish holding company set up to invest in European commercial real estate; he is also on the board of a number of Swiss investment companies.

#### **David Tease (Irish Resident)**

David Tease has over 20 years' experience as a hedge fund manager and commodity trading advisor. He began his career as an agricultural economist, and then joined Citibank in Dublin as a bond trader in 1986. He worked for Bank of Ireland, Gandon Securities and Allied Irish Capital Management, before becoming Managing Director of Vega Capital Partners in 2002. Between 2007 and 2010, he ran alternative investment accounts at GlobalReach Securities and Dolmen Securities, before retiring in 2010 to manage his own portfolio. He has a Masters in Agriculture (Economics) from Queens University, Belfast, and an MBA from University College Dublin.

#### **The Investment Managers**

The Manager may appoint an Investment Manager in respect of some or all of the Funds. Details of the Investment Manager for each Fund, where appointed, shall be contained in the Relevant Supplement. Information on the Investment Manager for a Fund will also be provided to Shareholders on request and will be disclosed in the periodic reports of the ICAV.

#### **The Administrator**

The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is an indirect wholly owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, which provides global custody and administration services to institutional and personal investors. As at 31 March 2017, the Northern Trust Group's assets under custody or administration totalled in excess of US\$8.9 trillion. The principal business activity of the Administrator is the administration of collective investment schemes.

The Manager and the ICAV have appointed the Administrator to act as administrator, registrar and transfer agent to the ICAV with responsibility for performing the day-to-day administration of the ICAV. The duties and functions of the Administrator include, inter alia, the calculation of the Net Asset Value and the Net Asset Value per Share, the keeping of all relevant records in relation to the ICAV as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, the preparation and maintenance of the ICAV's books and accounts, liaising with the Auditor in relation to the audit of the financial statements of the ICAV and the provision of certain Shareholder registration and transfer agency services in respect of shares in the ICAV.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the ICAV and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it.

The Administration Agreement provides that the appointment of the Administrator will continue unless and until terminated by the Manager, the ICAV or the Administrator giving to the other parties not less than 90 days' written notice although in certain circumstances the agreement may be terminated immediately by one of the parties. The Administration Agreement contains certain

indemnities in favour of the Administrator (and its officers and employees) which are restricted to exclude, inter alia, matters arising by reason of the negligence, wilful default or fraud of the Administrator or its permitted delegates in the performance of its obligations and duties.

### **The Depositary**

The ICAV has appointed the Depositary as depositary of the ICAV pursuant to the Depositary Agreement with responsibility for acting as depositary and trustee of the assets of each Fund.

The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. As is the Administrator, the Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation.

The Depositary has been appointed as depositary of the ICAV's assets, subject to the overall supervision of the Directors. The Depositary Agreement provides that the appointment of the Depositary will continue unless and until terminated by the ICAV, the Manager or the Depositary giving to the other parties not less than 90 days' written notice, although in certain circumstances the Agreement may be terminated immediately by the ICAV, the Manager or the Depositary. However, the appointment of the Depositary shall continue in force until a replacement Depositary approved by the Central Bank has been appointed. In addition, if within a period of 90 days from the date on which the Depositary notifies the ICAV of its desire to retire or from the date on which the ICAV notifies the Depositary of its intention to remove the Depositary, no replacement Depositary shall have been appointed, the ICAV shall apply to the High Court for an order to wind up the ICAV or convene in an extraordinary general meeting of the Shareholders of the ICAV at which there shall be proposed an ordinary resolution to wind up the ICAV.

The Depositary Agreement contains certain indemnities in favour of the Depositary (and each of its officers, employees and delegates) which are restricted to exclude matters arising by reason of the negligent or intentional failure of the Depositary in the performance of its duties.

Under the terms of the Depositary Agreement, the Depositary may delegate its safekeeping obligations provided that (i) the services are not delegated with the intention of avoiding the requirements of the UCITS Regulations, (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) the Depositary exercises due, skill, care and diligence in the selection, appointment and ongoing monitoring of any third party to which it delegates parts of its services. However, the liability of the Depositary will not be affected by virtue of any such delegation. The Depositary has delegated to its global sub-custodian, The Northern Trust Company, London branch, responsibility for the safekeeping of the ICAV's financial instruments and cash.

The Depositary Agreement provides that the Depositary shall be liable (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary, and (ii) in respect of all other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.

The Depositary shall carry out functions in respect of the ICAV including but not limited to the following:

- (a) the Depositary shall hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the Depositary's books and all financial instruments capable of being physically delivered to the Depositary;
- (b) the Depositary shall verify the ICAV's ownership of all any assets (other than those referred to in (i) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the ICAV;
- (c) the Depositary shall ensure effective and proper monitoring of the ICAV's cash flows;

- (d) the Depositary shall be responsible for certain oversight obligations in respect of the ICAV, so as to ensure, among other things, that:
- (i) the sale, issue, redemption and cancellation of Shares effected on behalf of the ICAV are carried out in accordance with the ICAV Act, the conditions imposed by the Central Bank and the Instrument of Incorporation;
  - (ii) the value of Shares is calculated in accordance with the ICAV Act and the Instrument of Incorporation;
  - (iii) in transactions involving the ICAV's assets, any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
  - (iv) the ICAV and each Fund's income is applied in accordance with the ICAV Act and the Instrument of Incorporation;
  - (v) the instructions of the ICAV are carried out unless they conflict with the ICAV Act or the Instrument of Incorporation; and
  - (vi) it has enquired into the conduct of the ICAV in each Accounting Period and reports thereon to the Shareholders. The Depositary's report will be delivered to the ICAV in good time to enable the Directors to include a copy of the report in the annual report of each Fund. The Depositary's report will state whether in the Depositary's opinion each Fund has been managed in that period:
    - (A) in accordance with the limitations imposed on the investment and borrowing powers of the Fund imposed by the Instrument of Incorporation and/or the Central Bank under the powers granted to the Central Bank under the ICAV Act; and
    - (B) otherwise in accordance with the provisions of the ICAV Act and the Instrument of Incorporation.

If the ICAV has not complied with (a) or (b) above, the Depositary will state why this is the case and will outline the steps that the Depositary has taken to rectify the situation.

Duties and functions in relation to (iii) and (iv) above may not be delegated by the Depositary.

In discharging its role, the Depositary is required to act honestly, fairly, professionally, independently and in the interests of the ICAV and the Shareholders.

The ICAV shall make available to investors upon request, up-to-date information in respect of the identity of the Depositary, a description of any safe-keeping functions delegated by the Depositary, the list of the Depositary's delegates and sub-delegates and any conflicts of interest that may arise from such delegation. A list of the Depositary's sub-custodians, current at the date of this Prospectus, appears in Appendix V.

### **The Distributor**

The ICAV has appointed the Distributor, ML Capital Asset Management Limited, to assist the ICAV in the promotion and sale of Shares on a non-exclusive basis.

The Distribution Agreement between the ICAV and the Distributor (the "**Distribution Agreement**") provides that the Distributor (and its directors, officers, employees and agents) shall not be liable for any loss or damage arising directly or indirectly out of or in connection with the performance by the Distributor of its duties unless such loss or damage arose out of or in connection with the negligence, wilful default, fraud or bad faith of the Distributor or of any sub-distributor or agent appointed by the Distributor. The Distribution Agreement provides that the

Manager shall indemnify (out of the assets of the relevant Fund) the Distributor (and each of its directors, officers, employees and agents) from and against any and all liabilities, obligations, losses, damages, suits and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be incurred by or asserted against the Distributor (or any of its directors, officers, employees or agents) in its capacity as Distributor other than those resulting from negligence, bad faith, wilful default or fraud in the performance of its obligations or duties .

Under the Distribution Agreement, the Distributor shall indemnify and keep indemnified and hold harmless the Manager (and each its directors, officers and agents) against any and all costs, losses, claims and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) incurred by the Manager to the extent that such costs, losses, claims or expenses are due to negligence, bad faith, wilful default or fraud in the performance of its duties and the Distributor (or any of its directors, officers, employees or agents) will not otherwise be liable for any costs, losses, claims or expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) suffered or incurred by the Manager (or any of its directors, officers or agents).The Distribution Agreement may be terminated by either party on ninety (90) days' notice in writing to the other party. The Distribution Agreement may be terminated by either party at any time in certain circumstances, including in the event of the other party becoming insolvent or being affected by a similar event.

Under the Distribution Agreement, the Distributor may, subject to the prior approval of the Manager, appoint one or more sub-distributors from time to time to perform and/or exercise all or any of its functions, powers, discretions, duties and obligations under the Distribution Agreement. The Distributor shall pay the fees of any such sub-distributor out of its own fees.

#### **Paying Agents/Representatives/Distributors**

Local laws or regulations in certain EEA jurisdictions may require that the ICAV appoints a local Paying Agent or other local representative. The role of the Paying Agent may entail, for example, maintaining accounts through which subscription and redemption proceeds and dividends are paid. Investors who choose or who are obliged under local regulations to pay and receive subscription and redemption monies via the intermediary entity rather than directly to the ICAV bear a credit risk against that entity with respect to a) subscription monies prior to the transmission of such monies to the account of the ICAV and b) redemption monies payable by such intermediate entity to the relevant investor. The appointment of a Paying Agent (including a summary of the agreement appointing such Paying Agent) may be detailed in a Country Supplement.

Fees and expenses of Paying Agents and other local representatives, which will be at normal commercial rates, will be borne by the relevant Fund(s). Fees payable to the Paying Agents and other local representatives which are based on Net Asset Value will be payable only from the Net Asset Value of the relevant Fund(s) attributable to the relevant Class(es), the Shareholders of which are entitled to avail of the services of the Paying Agents and other local representatives.

Investors who do not themselves wish to be registered as Shareholders may use the services of a nominee. Where Shares are held through a nominee, those underlying investors who avail of the services of such nominee may be obliged to pay a fee directly to it in relation to the subscription, repurchase or exchange of Shares, details of which will be provided by the nominee. Regard must be had to the anti-money laundering requirements set out in the section entitled "Investing in Shares".

#### **Auditor**

KPMG has been appointed to act as the auditor for the ICAV. The responsibility of the Auditor is to audit and express an opinion on the financial statements of the ICAV and its Funds in accordance with Irish law and International Financial Reporting Standards.

**Secretary**

MFD Secretaries Limited has been appointed as Secretary of the ICAV. The Secretary is an affiliate of Maples and Calder, the legal advisers to the ICAV.

---

## General Information

---

### Reports and Accounts

The year end of the ICAV and each Fund is 31 December in each year. Each Fund will prepare an annual report and audited accounts as of 31 December in each calendar year and a semi-annual report and unaudited accounts as of 30 June in each year.

Such reports and accounts will contain a statement of the Net Asset Value of the relevant Fund and of the investments comprised therein as at the year-end or the end of such semi-annual period.

The audited annual report and accounts will be published within four months of the ICAV's financial year end and its semi-annual report will be published within two months of the end of the half-year period. The latest report in each case will be offered to subscribers before conclusion of a contract and supplied to Shareholders free of charge on request and will be available to the public at the office of the Administrator.

The audited annual report and accounts for each Fund in respect of each financial year shall be prepared in accordance with International Financial Reporting Standards.

The Directors may send such reports and accounts electronically to Shareholders in accordance with the Central Bank Rules. See "Access to Documents" below.

### Form and Share Capital

The authorised share capital of the ICAV is 500,000,000,002 Shares of no par value divided into 2 Subscriber Shares of no par value and 500,000,000,000 unclassified Shares of no par value.

Subscriber Shares entitle the holders to attend and vote at general meetings of the ICAV but do not entitle the holders to participate in the profits or assets of the ICAV except for a return of capital on a winding-up. Shares entitle the holders to attend and vote at general meetings of the ICAV and to participate equally (subject to any differences between fees, charges and expenses applicable to different Classes of Shares) in the profits and assets of the ICAV on the terms and conditions set out in the Relevant Supplement.

The ICAV may from time to time by ordinary resolution increase its capital, consolidate its Shares or any of them into a smaller number of Shares, sub-divide Shares or any of them into a larger number of Shares or cancel any Shares not taken or agreed to be taken by any person. The ICAV may by special resolution from time to time reduce its share capital in any way permitted by law.

### Voting Rights

Subject to any special rights or restrictions for the time being attached to any Class of Shares with the prior approval of the Central Bank, each Shareholder shall be entitled to such number of votes as shall be produced by dividing the aggregate Net Asset Value of that Shareholder's shareholding (expressed or converted into Euro and calculated as of the relevant record date) by one. The "relevant record date" for these purposes shall be a date being not more than thirty days prior to the date of the relevant general meeting or written resolution as determined by the Directors. In relation to a resolution which in the opinion of the Manager gives or may give rise to a conflict of interest between the Shareholders of any Class, such resolution shall be deemed to have been duly passed only if, in lieu of being passed through a single meeting of the Shareholders of such Class, such resolution shall have been passed at a separate meeting of the Shareholders of each such Classes of Shares. All votes shall be cast by a poll of Shareholders present in person or by proxy at the relevant Shareholder meeting or by unanimous written resolution of the Shareholders.

## **Variation of Shareholder Rights**

Under the Instrument of Incorporation, the rights attached to each Class of Share may, whether or not the ICAV is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that Class or with the sanction of a special resolution passed at a separate general meeting of the holders of Shares of that Class. The rights attaching to any Class of Shares shall not be deemed to be varied by the creation or issue of further Shares ranking *pari passu* with Shares already in issue, unless otherwise expressly provided by the terms of issue of those Shares. The provisions of the Articles relating to general meetings shall apply to every such separate general meeting except that the necessary quorum at such a meeting shall be two persons present in person or by proxy holding Shares of the Class in question or, at an adjourned meeting, one person holding Shares, of the Class in question or his proxy.

## **Conflicts of Interest**

The Manager, the Directors, the Administrator, the Investment Managers and the Distributor may from time to time act as manager, registrar, administrator, transfer agent, trustee, investment manager, advisor or distributor in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the ICAV or any Fund. It is, therefore, possible that any of them may, in the due course of their business, have potential conflicts of interests with the ICAV or any Fund. Each will at all times have regard in such event to its obligations under the Instrument of Incorporation or any agreements to which it is party or by which it is bound in relation to the ICAV or any Fund. In particular, but without limitation to its obligations to act in the best interests of the Shareholders when undertaking any investments, where conflicts of interest may arise they will each respectively endeavour to ensure that such conflicts are resolved fairly. The Manager and each Investment Manager have also agreed to act in a manner which they in good faith consider fair and equitable in allocating investment opportunities to the ICAV or the Funds as appropriate.

The Instrument of Incorporation provides that the Administrator may accept the estimate of a competent person when determining the probable realisation value of unlisted securities. The Administrator may accept an estimate provided by the Manager or any other affiliate or delegate of the Manager for these purposes and investors should be aware that in these circumstances a possible conflict of interest may arise as in general, the higher the estimated probable realisation value of the security, the higher the fees payable to the Manager and its delegates.

Potential conflicts of interest may arise from time to time from the provision by the Depositary or its affiliates of other services to the ICAV or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee, custodian or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the ICAV and/or other funds for which the Depositary (or any of its affiliates) act.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the ICAV and will treat the ICAV and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the ICAV than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary's functions from its other potentially conflicting tasks and by the Depositary adhering to its "Conflicts of Interest Policy" (a copy of which can be obtained on request from the head of compliance for the Depositary).

There is no prohibition on transactions between the ICAV, the Manager, an Investment Manager, the Administrator, the Depositary, the Distributor or related entities including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the ICAV and none of them shall have any obligation to account to the ICAV for any profits or benefits made by or derived from or in connection with any such transaction, provided that such transactions are in the best interests of Shareholders and dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and:

- (a) a certified valuation by a person approved by the Depositary as independent and competent (or in the case of a transaction involving the Depositary, the Directors) has been obtained; or
- (b) the relevant transaction is executed on best terms on an organised investment exchange in accordance with its rules; or
- (c) where the conditions set out in (a) and (b) above are not practical, the relevant transaction is executed on terms which the Depositary is (or in the case of a transaction involving the Depositary, the Directors are) satisfied conform with the principle that such transactions be carried out as if negotiated at arm's length and in the best interests of Shareholders.

The Depositary (or in the case of a transaction involving the Depositary, the Directors) shall document how it complied with paragraphs (a), (b) and (c) above and where transactions are conducted in accordance with paragraph (c), the Depositary (or in the case of a transaction involving the Depositary, the Directors), must document the rationale for being satisfied that the transaction conformed to the principles outlined above.

In placing orders with brokers and dealers to make purchases and sales for a Fund, the relevant Investment Manager will obtain best execution for the Fund. In determining what constitutes best execution, each Investment Manager may consider factors it deems relevant, including, but not limited to, the breadth of the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer and the reasonableness of the commission, if any, for the specific transaction, on a continuing basis.

When consistent with the objective of best execution, business may be placed with broker-dealers who furnish investment research or services to an Investment Manager. The commissions on such brokerage transactions with investment research or services may be higher than another broker might have charged for the same transaction in recognition of the value of research or services provided. Such research or services include advice, both orally and in writing, as to the value of securities; the advisability of investing in, purchasing, or selling securities; the availability of securities, or purchasers or sellers of securities; as well as analyses and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts.

To the extent portfolio transactions are effected with broker-dealers who furnish research or other services to the Manager or any Investment Manager, the Manager or Investment Manager receives a benefit, not capable of evaluation in monetary amounts, without providing any direct monetary benefit to the ICAV from these transactions. Such research or services provided by a broker-dealer through whom the Manager or Investment Manager effects securities transactions for a Fund may be used by the Manager or Investment Manager in servicing all of its accounts.

A report will be included in the ICAV's annual and half-yearly reports describing the Investment Manager's soft commission practices.

### **Directors' Interests**

A director of the ICAV may be a party to, or otherwise interested in, any transaction or arrangement in which the ICAV is interested. At the date of this Prospectus, no director of the ICAV nor any connected person of a Director has any interest, beneficial or non-beneficial, in the ICAV or any material interest in any agreement or arrangement relating to the ICAV, other than:

- (a) Cyril Delamare is a director and indirectly a shareholder of the Manager and the Distributor which receive fees from the ICAV in respect of services they provide to the ICAV and each relevant Fund;
- (b) David Hammond is a director and indirectly a shareholder of the Manager and the Distributor;
- (c) Barry Kenny is indirectly a shareholder in the Manager and the Distributor;

- (d) David Tease is a director of the Manager; and
- (e) Cyril Delamare, Barry Kenny and David Tease are each a shareholder in one or more Funds, details of which are disclosed in the periodic reports and accounts of the ICAV.

The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

### **Manager and Investment Manager Investment in Shares**

The Manager or an Investment Manager or an associated company or key employee of any of them may invest in Shares of a Fund for general investment purposes or for other reasons, including so that a Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances, the Manager, the Investment Manager or an associated company may hold a high proportion of the Shares of a Fund or Class in issue.

### **Cash Commission/ Rebates and Fee Sharing**

Where an Investment Manager or any of their delegates successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase or sale of securities or Derivatives for a Fund, the rebated commission shall be paid to the relevant Fund. The Manager or their delegates may be reimbursed out of the assets of the relevant Fund for reasonable properly vouched costs and expenses directly incurred by them in this regard.

### **The Instrument of Incorporation**

Clause 3 of the Instrument of Incorporation provides that the sole object of the ICAV is the collective investment of its funds in property and giving members the benefit of the results of the management of its funds, consistent with the requirements of Regulation 4(3) of the UCITS Regulations.

The Instrument of Incorporation contains, among other things, provisions to the following effect:

### **Funds**

The Directors are required to establish a separate portfolio of assets for each Fund created by the ICAV from time to time, to which the following shall apply:

- (a) for each Fund the ICAV shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and, in particular, the proceeds from the allotment and issue of Shares of each Class of the Fund, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Instrument of Incorporation;
- (b) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records of the ICAV to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Fund;
- (c) in the event that there are any assets of the ICAV which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall, with the approval of the Depositary, allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary the basis in relation to assets previously allocated;
- (d) no Shares will be issued on terms that entitle the Shareholders of any Fund to participate in the assets of the ICAV other than the assets (if any) of the Fund relating to such Shares. If the proceeds of the assets of the relevant Fund are not sufficient to fund the full Repurchase Proceeds payable to each Shareholder for the relevant Fund, the proceeds of the relevant Fund will, subject to the terms for the relevant Fund, be distributed equally among each Shareholder of the relevant Fund pro rata to the amount paid up on the

Shares held by each Shareholder. If the realised net assets of any Fund are insufficient to pay any amounts due on the relevant Shares in full in accordance with the terms of the relevant Fund, the relevant Shareholders of that Fund will have no further right of payment in respect of such Shares or any claim against the ICAV, any other Fund or any assets of the ICAV in respect of any shortfall;

- (e) each Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the ICAV in respect of or attributable to that Fund; and
- (f) in the event that any asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of section 36(6) of the ICAV Act, shall apply.

### **Winding up**

The Instrument of Incorporation contains provisions to the following effect:

- (a) If the ICAV shall be wound up the liquidator shall, subject to the provisions of the ICAV Act, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund;
- (b) The assets available for distribution amongst the Shareholders shall be applied as follows: first the proportion of the assets in a Fund attributable to each Class of Shares shall be distributed to the holders of Shares in the relevant Class in the proportion that the number of Shares held by each holder bears to the total number of Shares relating to each such Class of Shares in issue as at the date of commencement to wind up; secondly, in the payment to the holder(s) of the subscriber shares of sums up to the notional amount paid thereon out of the assets of the ICAV not attributable to other Classes of Shares. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the ICAV attributable to each Class of Share; and thirdly, any balance then remaining and not attributable to any of the Classes of Shares shall be apportioned pro-rata as between the Classes of Shares based on the Net Asset Value attributable to each Class of Shares as at the date of commencement to wind up and the amount so apportioned to a Class shall be distributed to holders pro-rata to the number of Shares in that Class of Shares held by them;
- (c) A Fund may be wound up pursuant to section 37 of the ICAV Act and in such event the provisions of the Instrument of Incorporation shall apply mutatis mutandis in respect of that Fund;

If the ICAV shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant holders and any other sanction required by the ICAV Act, divide among the holders of Shares of any Class or Classes of a Fund in specie the whole or any part of the assets of the ICAV relating to that Fund, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the holders of Shares or the holders of different Classes of Shares as the case may be. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of holders as the liquidator, with the like authority, shall think fit, and the liquidation of the ICAV may be closed and the ICAV dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is a liability. A Shareholder may require the liquidator instead of transferring any asset in specie to him/her, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same.

### **Material Contracts**

The following contracts, which are summarised in the "The ICAV" and "Fees and Expenses" section of this Prospectus or in the Relevant Supplement, have been entered into and are, or may be, material:

- (a) Management Agreement;
- (b) Investment Management Agreements;
- (c) Administration Agreement;
- (d) Depositary Agreement; and
- (e) Distribution Agreement.

Details of other material contracts may be provided in the Relevant Supplement.

#### **Access to Documents**

The following documents may be provided in writing or by electronic mail or in an electronic format on a website designated by the ICAV for this purpose (through [www.montlakeucits.com](http://www.montlakeucits.com) or such other website as may be notified to Shareholders in advance from time to time). A copy in writing of such documents shall be provided to Shareholders on request, free of charge.

- (i) this Prospectus;
- (ii) once published, the latest annual and semi-annual reports of the ICAV or each Fund; and
- (iii) the KIID for each share class of each Fund.

In addition, copies of the following documents may be obtained free of charge from the registered office of the ICAV in Ireland during normal business hours, on any Business Day:

- (i) the Instrument of Incorporation; and
- (ii) once published, the latest annual and semi-annual reports of the ICAV or each Fund.

#### **Remuneration Policy**

The Manager has a remuneration policy in place to ensure compliance with the relevant requirements of the Central Bank Regulations. This remuneration policy includes measures to avoid conflicts of interest and applies to staff and senior management within the Manager whose activities have been identified by the Manager as potentially having a material impact on the risk profile of the ICAV. In line with the provisions of the Central Bank Regulations, the Manager applies its remuneration policy and practices in a way and to the extent that is proportionate to its size, its internal organisation and the nature, scope and complexity of its activities.

Where the Manager delegates investment management functions in respect of any Fund of the ICAV, such as to an Investment Manager, it will ensure that any delegates it appoints apply the remuneration rules as detailed in the Central Bank Regulations in a proportionate manner or, alternatively, are subject to equally effective remuneration policies under their home authorisation.

Further details with regard to the remuneration policy (including how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits) are available at the following website: [www.mlcapital.com/mlc/remuneration-policy](http://www.mlcapital.com/mlc/remuneration-policy) and a paper copy may be obtained free of charge on request from the Manager.

---

## Definitions

---

In this Prospectus the following words and phrases have the meanings set forth below:

<b>"Addendum"</b>	means the addendum or addenda designed to be read and construed together with and to form part of Prospectus;
<b>"Administrator"</b>	means Northern Trust International Fund Administration Services (Ireland) Limited or such other company in Ireland as may from time to time be appointed as administrator of the ICAV in accordance with the Central Bank Rules;
<b>"Administration Agreement"</b>	means the means the agreement made between the ICAV, the Manager and the Administrator dated 29 November 2016 as may be amended or supplemented from time to time in accordance with the Central Bank Rules pursuant to which the latter was appointed as administrator of the ICAV;
<b>"AML Legislation"</b>	means Irish anti-money laundering legislation, currently comprising the Criminal Justice (Money Laundering & Terrorist Financing) Acts 2010 and 2013 as amended from time to time;
<b>"Anti-Dilution Levy"</b>	means an adjustment made on a transaction basis in the case of net subscriptions or net repurchases as a percentage adjustment (to be communicated to the Administrator) on the value of the relevant subscription or repurchase calculated for the purposes of determining a subscription price or redemption price to reflect the impact of dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of the relevant Fund;
<b>"Application Form"</b>	means the Application Form issued by the ICAV for each Fund, as may be amended by the ICAV from time to time;
<b>"Approved Counterparty"</b>	means a counterparty to OTC derivatives with which a Fund may trade and belonging to one of the categories approved by the Central Bank which at present comprise the following: <ul style="list-style-type: none"><li>(a) a credit institution authorised in the European Union, the United Kingdom, Norway, Iceland, Liechtenstein, Switzerland, Canada, Japan, the United States of America, Jersey, Guernsey, the Isle of Man, Australia or New Zealand;</li><li>(b) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive or the equivalent regulations in the United Kingdom or a European Economic Area Member State; or</li><li>(c) a member of a group with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by the Federal Reserve;</li></ul>

<b>"Auditors"</b>	means KPMG or such other firm of chartered accountants as may from time to time be appointed as auditors to the ICAV;
<b>"Base Currency"</b>	means the currency used for the valuation of each Fund and specified in the Relevant Supplement or such other currency as the Directors may determine from time to time and notify to Shareholders of that Fund;
<b>"Benchmark Regulation"</b>	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds
<b>"Business Day"</b>	means, unless otherwise specified in the Relevant Supplement, a day which is a bank business day in Ireland and the UK and in such other places as may be determined by the Directors;
<b>"Central Bank"</b>	means the Central Bank of Ireland;
<b>"Central Bank Rules"</b>	means the Central Bank Regulations and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the ICAV pursuant to the UCITS Regulations;
<b>"Central Bank Regulations"</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;
<b>"Class" or "Share Class"</b>	means Shares designated as a class of Shares for the purposes of attributing different proportions of the Net Asset Value of the relevant Fund to such Shares to accommodate different subscription, conversion and redemption charges, dividend arrangements, base currencies or fee arrangements specific to such Shares;
<b>"Class Currency"</b>	means, in relation to each Class in each Fund, the currency in which the Shares of such Class are designated as specified herein or in a Supplement;
<b>"CRS"</b>	means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard;
<b>"Data Protection Legislation"</b>	means, from 25 May 2018 onwards, the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679).

<b>"Dealing Day"</b>	means, unless otherwise specified in the Relevant Supplement or determined by the Directors, such Business Day or Business Days as the Directors may from time to time determine in relation to any Fund or any Class of Shares, provided there shall be at least one (1) Dealing Day per fortnight in each Fund;
<b>"Dealing Deadline"</b>	means such time as may be specified in the Supplement for each Fund provided that such time shall be before the Valuation Point for that Fund;
<b>"Declaration"</b>	a valid declaration regarding an investor's non-residence in Ireland for tax purposes or Exempt Investor status as contained in the Application Form. To be valid, the declaration should be in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA (as may be amended from time to time) and the ICAV should not be in possession of information which would reasonably suggest the information contained in the declaration is no longer materially correct. An investor should notify the ICAV if they become Irish Resident or if immediately before a Chargeable Event the Shareholder is Irish Resident;
<b>"Depositary"</b>	means Northern Trust Fiduciary Services (Ireland) Limited or such other company in Ireland as may from time to time be appointed as depositary of all the assets of the ICAV with the prior approval of the Central Bank;
<b>"Depositary Agreement"</b>	means the agreement made between the ICAV, the Manager and the Depositary dated 8 April 2016 as may be amended or supplemented from time to time in accordance with the Central Bank Rules, pursuant to which the latter was appointed depositary of the ICAV;
<b>"Derivative"</b>	means a financial derivative instrument (including an OTC derivative);
<b>"Distributor"</b>	means with respect to each Class of Shares in the Funds, ML Capital Asset Management Limited and/or such other company or companies as may from time to time be appointed by the Manager as a distributor of any Class of Shares in any Fund with prior notification to the Central Bank;
<b>"EU Member State"</b>	means a Member State of the European Union from time to time;
<b>"Euro", "EUR" or "€"</b>	means the single currency of participating EU Member States of the European Monetary Union introduced on 1 January 1999;
<b>"Eurozone"</b>	means those Member States of the European Union from time to time participating in European economic and monetary union as contemplated by the Treaty of Rome;
<b>"Exempt Investor"</b>	means a Shareholder who comes within any of the categories listed below and has provided a Declaration to this effect to the ICAV in a form acceptable to the ICAV:  (a) a qualifying management company within the meaning of

- section 739B(1) TCA;
- (b) an investment undertaking within the meaning of section 739B(1) TCA;
  - (c) an investment limited partnership within the meaning of section 739J TCA;
  - (d) a pension scheme which is an exempt approved scheme within the meaning of section 774 TCA, or a retirement annuity contract or a trust scheme to which section 784 or 785 TCA applies;
  - (e) a company carrying on life business within the meaning of section 706 TCA;
  - (f) a special investment scheme within the meaning of section 737 TCA;
  - (g) a unit trust to which section 731(5)(a) TCA applies;
  - (h) a charity being a person referred to in section 739D(6)(f)(i) TCA;
  - (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 784A(2) TCA or section 848B TCA and the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
  - (j) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 787I TCA and the Shares held are assets of a personal retirement savings account as defined in section 787A TCA;
  - (k) the National Asset Management Agency;
  - (l) the Courts Service;
  - (m) a credit union within the meaning of section 2 of the Credit Union Act 1997;
  - (n) an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the ICAV is a money market fund;
  - (o) a company which is within the charge to corporation tax in accordance with section 110(2) TCA in respect of payments made to it by the ICAV;
  - (p) the National Treasury Management Agency of Ireland, or a fund investment vehicle within the meaning of Section 739D(6)(kb) TCA; and
  - (q) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the ICAV in respect of that Shareholder under Part 27, Chapter 1A TCA.

**"FATCA"**

means;

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code or any associated regulations or other official guidance;

- (b) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the Government of Ireland (or any Irish government body) and the US, or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to the legislation, regulations or guidance described in paragraph (a) above; and
- (c) any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs;

**"FCA"** means the UK Financial Conduct Authority and any successor authority;

**"Fund(s)"** means such portfolio or portfolios of assets as the Directors may from time to time establish with the prior approval of the Depositary and the Central Bank, constituting in each case a separate fund with segregated liability and represented by one or more separate Classes of Shares and invested in accordance with the investment objective and policies applicable to such Fund and described in this Prospectus or in the Relevant Supplement;

**"ICAV Act"** means the Irish Collective Asset-management Vehicles Act 2015 including any regulations made thereunder by ministerial order and any conditions that may from time to time be imposed thereunder by the Central Bank whether by notice or otherwise affecting the ICAV;

**"IGA"** means the Inter-Governmental Agreement between the governments of Ireland and the USA;

**"Instrument of Incorporation"** means the instrument of incorporation of the ICAV as amended from time to time in accordance with the ICAV Act and the Central Bank Rules;

**"Investment Manager"** means such entity as shall be approved in respect of each Fund and disclosed in the Relevant Supplement;

**"Investment Management Agreement"** means the agreement made between the Manager and the relevant Investment Manager for each Fund as may be amended or supplemented from time to time in accordance with the Central Bank Rules;

**"Irish Resident"** any company resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please see the "Taxation" section above for the summary of the concepts of residence and ordinary residence issued by the Revenue Commissioners;

**"KIID"** means the key investor information document;

**"Manager"** means MLC Management Limited and any successor thereto duly appointed with the prior approval of the Central Bank as the manager of the ICAV;

<b>"Management Agreement"</b>	means the agreement made between the ICAV and the Manager as may be amended or supplemented from time to time in accordance with the Central Bank Rules pursuant to which the latter is appointed manager of the ICAV;
<b>"Markets in Financial Instruments Directive" or "MiFID"</b>	EU Directive 2014/65/EU on Markets in Financial Instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, EU Regulation (EU) No 600/2014 and all applicable regulations made thereunder, as amended or supplemented from time to time;
<b>"Minimum Net Asset Value"</b>	means the minimum Net Asset Value determined by the Directors as being required for a Fund to be operated in an economically efficient manner. Unless otherwise specified in respect of a Fund in the Relevant Supplement, the Minimum Net Asset Value per Fund will be €20 million (or the equivalent in the Base Currency of the relevant Fund) within a period of 6 months from the date of the launch of the relevant Fund or such other amount as may be notified to Shareholders from time to time;
<b>"Net Asset Value"</b>	means the Net Asset Value of a Fund calculated as described or referred to herein;
<b>"Net Asset Value per Share"</b>	means, in relation to any Class of Shares, the Net Asset Value divided by the number of Shares in the relevant Class of Shares in issue or deemed to be in issue in respect of that Fund at the relevant Valuation Point subject to such adjustments, if any, as may be required in relation to any Class of Shares in the relevant Fund;
<b>"OECD"</b>	means the Organisation for Economic Co-operation and Development;
<b>"Prospectus"</b>	means this document, any Relevant Supplement or Addendum designed to be read and construed together with and to form part of this document and the ICAV or the Fund's most recent annual report and accounts (if issued) or, if more recent, its interim report and accounts;
<b>"Recognised Market"</b>	means any recognised exchange or market listed in Appendix I hereto;
<b>"Recognised Rating Agency"</b>	means Standard & Poor's Ratings Group ("S&P"), Moody's Investors Services ("Moody's") or any equivalent rating agency;
<b>"Relevant Institution"</b>	means a credit institution listed in Regulation 7 of the Central Bank Regulations, which at the date of this Prospectus consists of credit institutions authorised in the European Union, the United Kingdom, Norway, Iceland, Liechtenstein, Switzerland, Canada, Japan, the United States of America, Jersey, Guernsey, the Isle of Man, Australia or New Zealand
<b>"Relevant Supplement"</b>	in relation to a Fund, the supplement published in respect of that Fund and any addenda thereto;

<b>"Revenue Commissioners"</b>	the Irish authority responsible for taxation;
<b>"Securities Financing Transactions"</b>	means repurchase agreements, reverse repurchase agreements, securities lending agreements, total return swaps and any other transactions within the scope of SFTR that a Fund is permitted to engage in;
<b>"Section 739B"</b>	means Section 739B of TCA;
<b>"Share" or "Shares"</b>	means a share or shares in the capital of the ICAV;
<b>"Shareholder"</b>	means a person registered as a holder of Shares;
<b>"Stock Transfer Form"</b>	means such form as may be approved as an investment manager by the Directors and the Administrator from time to time to transfer Shares;
<b>"SFTR"</b>	means Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;
<b>"Subscriptions/Redemptions Account"</b>	means an account in the name of a Fund through which subscription monies and redemption proceeds and dividend income (if any) for the Fund are channelled, the details of which are specified in the Application Form;
<b>"Supplement"</b>	a document which contains specific information supplemental to this document in relation to a particular Fund;
<b>"Sterling" or "£"</b>	means pounds Sterling, the lawful currency of the U.K.;
<b>"Swiss Francs" or "CHF"</b>	means the lawful currency of Switzerland;
<b>"TCA"</b>	the Irish Taxes Consolidation Act 1997, as amended;
<b>"UCITS"</b>	means an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
<b>"UCITS Regulations"</b>	mean the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011), as amended, consolidated or substituted from time to time;
<b>"U.K."</b>	means the United Kingdom of Great Britain and Northern Ireland;

<b>"U.S." or "United States"</b>	means the United States of America, its territories and possessions including the States and the District of Columbia;
<b>"US\$", "\$" or "US Dollars"</b>	means the lawful currency of the United States;
<b>"U.S. Person"</b>	means: <ul style="list-style-type: none"> <li>(i) any individual who is a citizen or resident of the United States;</li> <li>(ii) a corporation, partnership or other entity created or organised under the laws of the United States or having its principal place of business in the United States;</li> <li>(iii) an estate or trust, the income of which is subject to U.S. Federal income tax regardless of its source and regardless of whether such income is effectively connected with a U.S. trade or business;</li> <li>(iv) any corporation, partnership, trust estate or other entity that is organised principally for passive investment and in which one or more individuals or entities described in (i), (ii) or (iii) hold Shares of participation representing in the aggregate 10% or more of the beneficial interests in the entity or which has as a principal purpose the facilitation of investment by any such person or entity in a commodity pool with respect to which the operator is exempt from certain requirements of 17 C.F.R. Part 4 of the regulations of the U.S. Commodity Futures Trading Commission by virtue of its participants not being such persons or entities; or</li> <li>(v) a pension plan for the employees, officers or principals of an entity created, organised or existing in or under the laws of the United States or which has its principal place of business within the United States.</li> </ul>
<b>"Valuation Point"</b>	means the time as at which the Net Asset Value of a Fund is calculated and which is specified in the Relevant Supplement for each Fund.

---

## Appendix I Recognised Markets

---

With the exception of permitted investments in unlisted securities and derivative instruments, investments will be restricted to the stock exchanges and markets listed below in accordance with the regulatory criteria as defined in the Central Bank Regulations. For the purposes of this Appendix I, reference to "unlisted securities" may include securities that are listed on a market or exchange where such exchange is not set out in the below list in accordance with Regulation 68(1)(c) and 68(2)(a) of the UCITS Regulations. The Central Bank does not issue a list of approved stock exchanges or markets.

- 1 Any stock exchange or market which is:
  - (a) located in any Member State of the European Economic Area excluding Liechtenstein (European Union, Norway and Iceland); or
  - (b) located in any of the member countries of the OECD including their territories covered by the OECD Convention.
  
- 2 Any of the following:
  - NASDAQ,
  - the over-the-counter market in the U.S. regulated by the Financial Industry Regulatory Authority, Inc. (also described as the OTC market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation));
  - The UK market (i) conducted by banks and other institutions regulated by the FCA and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (ii) in non-investment products which are subject to the guidance contained in the "Non-Investment Products Code" drawn up by the participants in the London market, including the FCA and the Bank of England (formerly known as "The Grey Book Market").
  - the market conducted by listed money market institutions as described in the Bank of England publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion" dated April, 1988 (as amended or revised from time to time);
  - the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
  - the market organised by the International Capital Markets Association;
  - the market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank in New York;

- the French market for "Titres de Créances Négociables" (over-the-counter market in negotiable debt instruments);
- the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;

3 All of the following stock exchanges and markets:

- *Argentina*  
the Buenos Aires Stock Exchange (MVBA),
- *Bahrain*  
the Bahrain Stock Exchange,
- *Bangladesh*  
the Dhaka Stock Exchange  
the Chittagong Stock Exchange
- *Bermuda*  
the Bermuda Stock Exchange
- *Bosnia and Herzegovina*  
the Banja Luka Stock Exchange  
the Sarajevo Stock Exchange,
- *Botswana*  
the Botswana Stock Exchange,
- *Brazil*  
BM&F Bovespa  
the Rio de Janeiro Stock Exchange,
- *China*  
the Shanghai Stock Exchange,  
the Shenzhen Stock Exchange (SZSE),
- *Colombia*  
the Bolsa de Valores de Colombia,
- *Costa Rica*  
Bolsa Nacional de Valores
- *Ecuador*  
the Quito Stock Exchange  
the Guayaquil Stock Exchange
- *Egypt*  
the Egyptian Exchange,

- *Ghana*  
the Ghana Stock Exchange,
- *Hong Kong*  
the Hong Kong Stock Exchange,  
the Hong Kong Futures Exchange  
Growth Enterprise Market
- *India*  
the Delhi Stock Exchange,  
the Bombay Stock Exchange,  
the National Stock Exchange of India,
- *Indonesia*  
the Indonesia Stock Exchange,
- *Jamaica*  
the Jamaica Stock Exchange,
- *Jordan*  
the Amman Financial Market,
- *Kazakhstan*  
the Kazakhstan Stock Exchange,
- *Kenya*  
the Nairobi Stock Exchange
- *Kuwait*  
Boursa Kuwait
- *Lebanon*  
Beirut Stock Exchange
- *Malaysia*  
Bursa Malaysia
- *Mauritius*  
the Stock Exchange of Mauritius,
- *Morocco*  
the Casablanca Stock Exchange,
- *Namibia*  
the Namibia Stock Exchange,
- *Nigeria*

- the Nigerian Stock Exchange,
- *Oman*  
Muscat Securities Market,
- *Pakistan*  
the Pakistan Stock Exchange,
- *Panama*  
the Bolsa de Valores de Panamá,
- *Peru*  
the Lima Stock Exchange,
- *Philippines*  
the Philippines Stock Exchange,
- *Qatar*  
the Qatar Exchange,
- *Russia*  
the Moscow Exchange,  
the Moscow International Currency Exchange,
- *Serbia*  
the Belgrade Stock Exchange,
- *Singapore*  
the Singapore Stock Exchange,
- *South Africa*  
the Johannesburg Stock Exchange,
- *Sri Lanka*  
Colombo Stock Exchange,
- *Taiwan*  
the Taiwan Stock Exchange,  
the Taipei Exchange,
- *Tanzania*  
the Dar es Salaam Stock Exchange,
- *Thailand*  
the Stock Exchange of Thailand,
- *Tunisia*

the Tunis Stock Exchange,

- *Uganda*  
the Uganda Securities Exchange,
- *United Arab Emirates*  
the Abu Dhabi Securities Exchange,  
Dubai Financial Market
- *Uruguay*  
the Bolsa Valores Montevideo,  
Bolsa Electronica de Valores de Uruguay
- *Vietnam*  
the Ho Chi Minh Stock Exchange,
- *Zambia*  
the Lusaka Stock Exchange,

4 Additionally for investments in financial derivative instruments:-

- all exchanges or markets thereof which are listed under (i), (ii) and (iii) on which derivatives trade.
- any derivatives exchanges or derivative market which is:
  - located in any Member State of the European Economic Area excluding Liechtenstein (European Union, Norway and Iceland); or
  - located in any of the member countries of the OECD including their territories covered by the OECD Convention;and the following exchanges:
  - Jakarta Futures Exchange
  - Malaysia Derivatives Exchange
  - Shanghai Futures Exchange
  - Singapore Commodities Exchange
  - Singapore Mercantile Exchange
  - Taiwan Futures Exchange
  - South African Futures Exchange
  - Hong Kong Futures Exchange
  - Thailand Futures Exchange

---

## Appendix II Securities Financing Transactions

---

A Fund may use Securities Financing Transactions in accordance with normal market practice and subject to the requirements of the SFTR and the Central Bank Rules. Such Securities Financing Transactions may be entered into for any purpose that is consistent with the investment objective of the relevant Fund, including generating income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks. Any type of assets that may be held by a Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions. There is no restriction on the proportion of assets that may be subject to Securities Financing Transactions which at any given time is expected to be as high as 100%. In any case the most recent semi-annual and annual report of the relevant Fund will express as an absolute amount and as a percentage of a Fund's assets the amount of Fund assets subject to Securities Financing Transactions.

Securities lending means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities. Repurchase agreements are a type of securities lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.

Any Fund that seeks to engage in securities lending should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

Any Fund that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Fund. A Fund that enters into a repurchase agreement should also ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

All the revenues arising from Securities Financing Transactions shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising from the transaction. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreement counterparties and/or securities lending agents engaged by the ICAV from time to time. Such fees and expenses of any repurchase/reverse repurchase agreement counterparties and/or securities lending agents engaged by the ICAV, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the ICAV or the Fund in respect of which the relevant party has been engaged. Details of Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreement counterparties and/or securities lending agents engaged by the ICAV from time to time shall be included in the relevant Fund's semi-annual and annual reports.

Counterparties to Securities Financing Transactions shall (1) be entities regulated, approved, registered or supervised in their home jurisdiction, (2) be located in a jurisdiction containing a Recognised Market, and (3) have a minimum credit rating of investment grade (BBB+ or equivalent) by any one rating agency, which will constitute the ICAV's criteria for selecting counterparties.

From time to time, a Fund may engage repurchase/reverse repurchase agreement counterparties or securities lending agents that are related parties to the Depositary or other service providers of the ICAV. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. Please refer to the "Conflicts of Interest" section of this Prospectus for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the relevant Fund's semi-annual and annual reports.

Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations respectively.

Please refer to the section of the Prospectus entitled "**Special Considerations and Risk Factors**" in respect of the risks related to Securities Financing Transactions. The risks arising from the use of Securities Financing Transactions shall be fully described in the ICAV's risk management process.

### **Collateral Policy**

In the context of Securities Financing Transactions, collateral may be received from an Approved Counterparty for the benefit of a Fund or posted to an Approved Counterparty by or on behalf of a Fund. Any receipt or posting of collateral by a Fund will be conducted in accordance with the Central Bank Rules and the terms of the ICAV's collateral policy outlined below.

#### **Collateral – received by a Fund**

Collateral posted by an Approved Counterparty for the benefit of a Fund may be taken into account as reducing the exposure to such Approved Counterparty. Each Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time.

Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the ICAV's risk management process. A Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the components set out in Regulation 24 paragraph (8) of the Central Bank Regulations.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the Fund in accordance with normal market practice and the requirements outlined in the Central Bank's Rules.

All assets received by a Fund in the context of repurchase/reverse repurchase agreements and securities lending shall be considered as collateral and must comply with the terms of the ICAV's collateral policy.

Collateral received from a counterparty for the benefit of a Fund may be in the form of cash or non-cash assets and must, at all times, meet with the specific criteria outlined in the Central Bank Regulations in relation to (i) liquidity; (ii) valuation; (iii) issuer credit quality; (iv) correlation; (v) diversification (asset concentration); and (vi) immediate availability. There are no restrictions on maturity provided the collateral is sufficiently liquid.

Regarding (ii) valuation, collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts (as referred to below) are in place.

### **Non-Cash Collateral**

Where appropriate, non-cash collateral held for the benefit of a Fund shall be valued in accordance with the valuation policies and principles applicable to the ICAV. Subject to any agreement on valuation made with the counterparty, collateral posted to a recipient counterparty will be valued daily at mark-to-market value.

The ICAV, on behalf of each Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed as referred to above. The Directors have determined that generally if issuer or issue credit quality of the collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as will be maintained in writing by the ICAV on an ongoing basis.

Non-cash collateral cannot be sold, pledged or re-invested.

Any non-cash assets received by the Fund from a counterparty on a title transfer basis (whether in respect of a Securities Financing Transaction, an OTC derivative transaction or otherwise) shall be held by the Depositary or a duly appointed sub-depositary. Assets provided by the Fund on a title transfer basis shall no longer belong to the Fund and shall pass outside the custodial network. The counterparty may use those assets at its absolute discretion. Assets provided to a counterparty other than on a title transfer basis shall be held by the Depositary or a duly appointed sub-depositary.

### **Cash Collateral**

Cash collateral may not be invested other than in the following:

- (i) deposits with Relevant Institutions;
- (ii) high-quality government bonds;
- (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis;
- (iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. Cash collateral may not be placed on deposit with the relevant Approved Counterparty or a related entity. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to an Approved Counterparty. Re-investment of cash collateral in accordance with the provisions above can still present additional risk for the Fund. Please refer to the section of the Prospectus entitled "**Special Considerations and Risk Factors; Collateral Risk**" for more details.

### **Collateral – posted by a Fund**

Collateral posted to an Approved Counterparty by or on behalf of the Fund must be taken into account when calculating counterparty risk exposure. Collateral posted to an Approved Counterparty and collateral received by such Approved Counterparty may be taken into account on a net basis provided the Fund is able to legally enforce netting arrangements with the Approved Counterparty.

**Dollar Roll Transactions**

The Funds may enter into dollar roll transactions with selected banks and broker dealers, under which it sells securities to an Approved Counterparty together with a commitment to purchase from the Approved Counterparty similar, but not identical, securities at a future date. The Approved Counterparty receives all principal and interest payments, including prepayments, made on the security while it is the holder. Dollar rolls may be renewed over a period of several months with a new purchase and repurchase price and a cash settlement made at each renewal without physical delivery of securities.

---

## Appendix III Use of Derivatives

---

Where specified in the Relevant Supplement, a Fund may use Derivatives and be leveraged as a result.

With respect to use of Derivatives, a risk management process is employed a statement of which has been submitted to the Central Bank on behalf of the ICAV in accordance with the Central Bank Rules. The risk management statement sets out which of the two methods permitted under the UCITS Regulations the ICAV uses to measure exposure to Derivatives in accordance with the requirement under the UCITS Regulations to have a risk management process that enables it to accurately measure, monitor and manage the various risks associated with the use of Derivatives for each Fund. The Funds will only utilise those derivatives that are listed in the risk management process cleared by the Central Bank. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

### **Details of Derivatives used**

Each Fund may use any of the following Derivatives once provided for in the Relevant Supplement and for the purposes set out in the Relevant Supplement. This list may be supplemented by additional Derivatives for a specific Fund as may be provided for in the Relevant Supplement.

Futures contracts. Traded on a regulated exchange, a future is a standardised agreement between two parties to transact in an instrument at a specific price or rate at a future date. A purchased futures contract commits the buyer to purchase the underlying instrument at the specified price on the specified date. A sold futures contract commits the seller to sell the underlying instrument at the specified price on the specified date. In practice, most futures positions are closed prior to contract maturity by dealing an opposite trade which cancels out the commitment.

Swaps. A swap is an OTC agreement between two parties to exchange a series of cash flows or returns on an underlying financial instrument for a set period of time.

Typical cash flow and return series exchanged in a swap include a fixed interest rate, Inflation rates, the total return from an instrument or index or a floating interest rate. Swap legs can be denominated in the same or a different currency.

Other swaps reference instrument characteristics such price volatility, variance, correlation, covariance and asset swap levels. These swaps have one active leg and a null second leg which means exposure is limited to change in the reference characteristic.

A swap may be used by a Fund to provide exposure to investments in a more efficient manner than a direct investment and to gain exposure to underlying assets, whereby the Fund agrees to pay a stream of payments based on an agreed rate in exchange for payments representing the economic performance, over the life of the swap, of the asset or assets underlying the total return swap.

Credit default swaps (CDS). A CDS contract is an OTC risk-transfer instrument (in the form of a derivative security) through which one party transfers to another party some of the financial risk of a credit event as it relates to a particular reference security or index of securities. A Fund which buys CDS protection pays a periodic premium to the CDS seller for the duration of the contract. In the event of credit event on the referenced entity the CDS protection activates. In a cash settled CDS an auction process sets a percentage recovery rate to the reference entity. The protection

buyer receives cash equivalent to the contract nominal adjusted for the recovery rate percentage. In a physical settlement CDS the protection buyer delivers the contract nominal of a valid defaulted instrument to the CDS seller who pays the contract nominal for it. In practice, the parties to a CDS can use CDS to gain or sell credit exposure to the referenced entity without having positions in the underlying reference entity.

Options. An option is an agreement between two parties where the option buyer has the right but not the obligation to buy (call option) or sell (put option) an instrument at a specified date and price. An option buyer pays a premium representing the value of the option and if, at the option expiry, it is economically advantageous to do so, may exercise a call option to buy the underlying instrument, or in the case of a put option, sell the underlying instrument. The option writer receives and keeps the option premium, and at the choice of the option buyer, has to buy or sell the underlying instrument at the time and price specified. The reference instrument for an option may be another derivative such as a swap, future, CDS or may specify an interest or inflation rate, index, basket of instruments, currency or any instrument which the Fund is authorised to own. Standard options are exchange traded and other options are traded OTC.

Contracts for Difference (CFD). A CFD is an agreement between two parties to pay or receive the difference between the price of a position in a specified financial instrument on the date the contract is entered into and the price of the position when the contract is closed out or terminated. The financial instrument underlying a CFD contract does not have to be held by either party to the contract. CFDs do not usually have a defined maturity and are generally closed out at any time at the discretion of the position taker.

Forwards. A forward contract locks in the price at which an asset may be purchased or sold on a future date. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another a specified amount of one currency at a specified price (exchange rate) with another currency on a specified future date. Forward contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract.

Convertible securities. The convertible securities in which a Fund may invest consist of bonds, notes, debentures and preferred stocks which may be converted or exchanged at a stated or determinable exchange ratio into underlying shares. Convertible securities may offer higher income than the shares into which they are convertible. A Fund may be required to permit the issuer of a convertible security to redeem the security, convert it into the underlying shares or sell it to a third party. To the extent that any convertible securities in which a Fund may invest are leveraged or contain embedded derivatives, the embedded derivative element will be managed by the Fund as a Derivative.

Hybrid securities. A Fund may invest in hybrid securities. A hybrid security is a security which combines two or more financial instruments. Hybrid securities generally combine a traditional stock or bond with an option or forward contract. Generally, the principal amount payable upon maturity or redemption, or the interest rate of a hybrid security, is tied (positively or negatively) to the price of some currency, securities index, another interest rate or some other economic factor (each a "benchmark"). The interest rate or (unlike most fixed income securities) the principal amount payable at maturity of a hybrid security may be increased or decreased, depending on the changes in the value of the benchmark.

In the case of a hybrid security such as a convertible bond, for example, a Fund benefits from a steady income stream, the repayment of principal at maturity, and the potential to share in the upside of the common stock. The yield advantage and finite maturity give the convertible downside price support, or investment value. At the same time, the embedded option component provides participation in higher equity values.

To the extent that any hybrid securities in which a Fund may invest are leveraged or contain embedded derivatives, the embedded derivative element will be managed by the Fund as a Derivative.

Structured notes. A Fund may invest in structured notes for which the coupon payment, principal repayment or repayment schedule varies according to pre-agreed conditions relating to

fluctuations in another asset such as a currency or a stock index. To the extent that any structured notes in which a Fund may invest are leveraged or contain embedded derivatives, the embedded derivative element will be managed by the Fund as a Derivative.

Warrants. The Fund may acquire warrants either as a result of corporate actions or by purchasing warrants. A warrant is a similar instrument to an option in that the holder of the warrant has the option but not the obligation to either purchase or sell the underlying for a specified price or before a specified date. The underlying of the warrant can be an equity, bond or an index.

Share Purchase Rights. Share purchase rights, which give the Fund the ability but not the obligation to purchase more shares, may be issued to the Fund pursuant to its investment in a particular security and, in such cases, may be retained for the purposes of efficient portfolio management and exercised when considered appropriate.

### **Hedged Classes – Currency Hedged Classes**

Share Classes will be identified as currency hedged Classes as appropriate, in the Supplement for the Fund in which such Class is issued.

#### *Currency Hedged Classes*

The ICAV may (but is not obliged to) enter into certain currency-related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class into the currency of denomination of the relevant Class for the purposes of efficient portfolio management. This involves a Class designated in a currency other than the Base Currency being hedged against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency.

Any financial instruments used to implement such currency hedging strategies with respect to one or more Classes shall be assets/liabilities of the Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on, and the costs of, the relevant financial instruments will accrue solely to the relevant Class. However, investors should note that there is no segregation of liability between Share Classes. Although the costs, gains and losses of the currency hedging transactions will accrue solely to the relevant Class, Shareholders are nonetheless exposed to the risk that hedging transactions undertaken in one class may impact negatively on the Net Asset Value of another Class.

Classes will be identified as currency hedged Classes as appropriate, in the Supplement for the Fund in which such Class is issued.

Where an Investment Manager seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the ICAV. However, over-hedged positions should not exceed 105% of the Net Asset Value and under-hedged positions should not fall short of 95% of the Net Asset Value of the relevant Class which is being hedged. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level which review will also incorporate a procedure to ensure that positions in excess of 100% of Net Asset Value will not be carried forward from month to month. To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move in line with the performance of the underlying assets, with the result that investors in that Class will not gain/lose if, in the case of currency hedging, the Class currency falls / rises against the Base Currency.

---

## **Appendix IV Investment Restrictions**

---

The assets of each Fund must be invested in accordance with the restrictions on investments set out in the UCITS Regulations and such additional investment restrictions in accordance with Central Bank requirements, if any, as may be adopted from time to time by the Directors in respect of any Fund and specified in the Relevant Supplement. The principal investment restrictions applying to each Fund under the UCITS Regulations are described as follows:

### **1 Permitted Investments**

Investments of a Fund are confined to:

- 1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU Member State or non-EU Member State.
- 1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 Money market instruments other than those dealt on a regulated market.
- 1.4 Units of UCITS.
- 1.5 Units of AIFs.
- 1.6 Deposits with credit institutions.
- 1.7 Derivatives.

### **2 Investment Restrictions**

- 2.1 A Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2 A Fund shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply. This restriction will not apply in relation to investment by the Fund in certain U.S. securities known as Rule 144A securities provided that:
  - (a) the securities have been issued with an undertaking to register the securities with the U.S. Securities and Exchanges Commission within one year of issue; and
  - (b) the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- 2.3 A Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in

an EU Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.

2.5 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.

2.6 The transferable securities or money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

2.7 A Fund may not invest more than 20% of its Net Asset Value in deposits made with the same credit institution.

Deposits with any one credit institution, other than with Relevant Institutions, held as ancillary liquidity, must not exceed 10% of the Net Asset Value of a Fund. This limit may be raised to 20% in the case of deposits made with the Depositary.

2.8 The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of its Net Asset Value.

This limit is raised to 10% in the case of Relevant Institutions.

2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of the Net Asset Value of a Fund:

- (a) investments in transferable securities or money market instruments;
- (b) deposits, and/or
- (c) counterparty risk exposures arising from OTC derivative transactions.

2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of the Net Asset Value of a Fund.

2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of the Net Asset Value of a Fund may be applied to investment in transferable securities and money market instruments within the same group.

2.12 A Fund may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, non-Member States or public international bodies of which one or more EU Member States are members or by Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States or any of the following:

European Investment Bank  
European Bank for Reconstruction and Development  
International Finance Corporation  
International Monetary Fund  
Euratom  
The Asian Development Bank

European Central Bank  
Council of Europe  
Eurofima  
African Development Bank  
International Bank for Reconstruction and Development (The World Bank)  
The Inter American Development Bank  
European Union  
Federal National Mortgage Association (Fannie Mae)  
Federal Home Loan Mortgage Corporation (Freddie Mac)  
Government National Mortgage Association (Ginnie Mae)  
Student Loan Marketing Association (Sallie Mae)  
Federal Home Loan Bank  
Federal Farm Credit Bank  
Tennessee Valley Authority  
Straight-A Funding LLC  
OECD Governments (provided the relevant issues are investment grade)  
Government of Brazil (provided the issues are of investment grade)  
Government of the People's Republic of China  
Government of India (provided the issues are of investment grade)  
Government of Singapore.

Where a Fund invests in accordance with this provision, the Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its Net Asset Value.

### **3 Investment in Collective Investment Schemes ("CIS")**

- 3.1 A Fund may not invest more than 20% of its Net Asset Value in any one CIS.
- 3.2 Investment in AIFs may not, in aggregate, exceed 30% of the Net Asset Value of a Fund.
- 3.3 The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
- 3.4 When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the management company of the ICAV or by any other company with which the management company of the ICAV is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
- 3.5 Where a commission (including a rebated commission) is received by the Manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.

## 4 **Index Tracking UCITS**

- 4.1 A Fund may invest up to 20% of its Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank Rules.
- 4.2 The limit in 4.1 may be raised to 35% of the Net Asset Value of the Fund, and applied to a single issuer, where this is justified by exceptional market conditions.

## 5 **General Provisions**

5.1 The ICAV, or the management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

5.2 A Fund may acquire no more than:

- (a) 10% of the non-voting shares of any single issuing body;
- (b) 10% of the debt securities of any single issuing body;
- (c) 25% of the units of any single CIS;
- (d) 10% of the money market instruments of any single issuing body.

The limits laid down in 5.2(b), 5.2(c) and 5.2(d) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

5.3 5.1 and 5.2 shall not be applicable to:

- (a) transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
- (b) transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
- (c) transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
- (d) shares held by a Fund in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6 and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;
- (e) Shares held by an investment company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at Shareholders' request exclusively on their behalf.

- 5.4 A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 5.5 The Central Bank may allow a recently authorised Fund to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six Months following the date of its authorisation, provided it observes the principle of risk spreading.
- 5.6 If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- 5.7 A Fund may not carry out uncovered sales of: transferable securities; money market instruments; units of CIS; or Derivatives. A Fund may hold ancillary liquid assets.

## 6 **Derivatives**

- 6.1 A Fund's global exposure relating to Derivatives must not exceed its total Net Asset Value (this provision may not be applied to Funds that calculate their global exposure using the VaR methodology as disclosed in the Relevant Supplement).
- 6.2 Position exposure to the underlyings of Derivatives, including embedded Derivatives in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Rules. (This provision does not apply in the case of index based Derivatives provided the underlying index is one which meets with the criteria set out in the Central Bank Rules.)
- 6.3 A Fund may invest in OTC derivatives provided that the counterparties to the OTC derivatives are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 6.4 Investment in Derivatives is subject to the conditions and limits laid down by the Central Bank.

The Manager may, without limitation, adopt additional investment restrictions with respect to any Fund to facilitate the distribution of Shares in the relevant Fund to the public in a particular jurisdiction. In addition, the investment restrictions set out above may be changed from time to time by the Manager in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares in the Funds are currently offered provided that the assets of each Fund will at all times be invested in accordance with the restrictions on investments set out in the UCITS Regulations. In the event of any such addition to, or change in, the investment restrictions applicable to any Fund, a reasonable notification period will be provided by the ICAV to enable Shareholders in the relevant Fund to redeem their Shares prior to implementation of these changes.

**Appendix V**  
**The Depository's Sub-Custodians**

<b>Country</b>	<b>Sub-Custodian</b>	<b>Sub-Custodian Delegates</b>
<b>Argentina</b>	Citibank N.A., Buenos Aires Branch	
<b>Australia</b>	The Hong Kong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
<b>Austria</b>	UniCredit Bank Austria AG	
<b>Bahrain</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Bangladesh</b>	Standard Chartered Bank	
<b>Belgium</b>	Deutsche Bank AG	
<b>Bermuda</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Bermuda Limited
<b>Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Bosnia and Herzegovina (Republic of Srpska)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Botswana</b>	Standard Chartered Bank Botswana Limited	

<b>Country</b>	<b>Sub-Custodian</b>	<b>Sub-Custodian Delegates</b>
<b>Brazil</b>	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	
<b>CD's - USD</b>	Deutsche Bank AG, London Branch*	
<b>Canada</b>	The Northern Trust Company, Canada	
<b>Canada*</b>	Royal Bank of Canada	
<b>Chile</b>	Citibank N.A.	Banco de Chile
<b>China A Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>China B Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>Colombia</b>	Cititrust Columbia S.A. Sociedad Fiduciaria	
<b>Costa Rica</b>	Banco Nacional de Costa Rica	
<b>Croatia</b>	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
<b>Cyprus</b>	Citibank Europe PLC	
<b>Czech Republic</b>	UniCredit Bank Czech Republic and Slovenia, a.s.	
<b>Denmark</b>	Nordea Bank AB (publ)	

<b>Country</b>	<b>Sub-Custodian</b>	<b>Sub-Custodian Delegates</b>
<b>Egypt</b>	Citibank N.A., Cairo Branch	
<b>Estonia</b>	Swedbank AS	
<b>Finland</b>	Nordea Bank AB (publ)	
<b>France</b>	Euroclear France (Northern Trust self-custody)	
<b>Germany</b>	Deutsche Bank AG	
<b>Ghana</b>	Standard Chartered Bank Ghana Limited	
<b>Greece</b>	Citibank Europe PLC	
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hong Kong (Stock Connect Shanghai/Shenshen)</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hungary</b>	UniCredit Bank Hungary Zrt.	
<b>India</b>	Citibank N.A.	
<b>Indonesia</b>	Standard Chartered Bank	
<b>Ireland</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)*	

<b>Country</b>	<b>Sub-Custodian</b>	<b>Sub-Custodian Delegates</b>
<b>Israel</b>	Bank Leumi Le-Israel B.M.	
<b>Italy</b>	Deutsche Bank SpA	
<b>Japan</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Jordan</b>	Standard Chartered Bank	
<b>Kazakhstan</b>	Citibank Kazakhstan JSC	
<b>Kenya</b>	Standard Chartered Bank Kenya Limited	
<b>Kuwait</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Latvia</b>	Swedbank AS	
<b>Lithuania</b>	AB SEB bankas	
<b>Luxembourg</b>	Euroclear Bank S.A./N.V.	
<b>Malaysia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Mexico</b>	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	

<b>Country</b>	<b>Sub-Custodian</b>	<b>Sub-Custodian Delegates</b>
<b>Morocco</b>	Société Générale Marocaine de Banques	
<b>Namibia</b>	Standard Bank Namibia Ltd	
<b>Netherlands</b>	Deutsche Bank AG	
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Nigeria</b>	Stanbic IBTC Bank Plc	
<b>Norway</b>	Nordea Bank AB (publ)	
<b>Oman</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
<b>Pakistan</b>	Citibank N.A., Karachi Branch	
<b>Panama</b>	Citibank N.A., Panama Branch	
<b>Peru</b>	Citibank del Peru S.A.	
<b>Philippines</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Poland</b>	Bank Polska Kasa Opieki Spółka Akcyjna,	
<b>Portugal</b>	BNP Paribas Securities Services	
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited

<b>Country</b>	<b>Sub-Custodian</b>	<b>Sub-Custodian Delegates</b>
<b>Romania</b>	Citibank Europe PLC	
<b>Russia</b>	AO Citibank	
<b>Saudi Arabia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Saudi Arabia Limited
<b>Serbia</b>	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
<b>Singapore</b>	DBS Bank Ltd	
<b>Slovakia</b>	Citibank Europe PLC	
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	
<b>South Africa</b>	The Standard Bank of South Africa Limited	
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Spain</b>	Deutsche Bank SAE	
<b>Sri Lanka</b>	Standard Chartered Bank	
<b>Sweden</b>	Svenska Handelsbanken AB (publ)	
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd	
<b>Taiwan</b>	Bank of Taiwan	

<b>Country</b>	<b>Sub-Custodian</b>	<b>Sub-Custodian Delegates</b>
<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>	Citibank N.A., Bangkok Branch	
<b>Tunisia</b>	Banque Internationale Arabe de Tunisie	
<b>Turkey</b>	Deutsche Bank AG & Deutsche Bank AS	
<b>Uganda</b>	Standard Chartered Bank Uganda Limited	
<b>United Arab Emirates (ADX)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (DFM)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Kingdom</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
<b>United States</b>	The Northern Trust Company	
<b>Uruguay</b>	Banco Itau Uruguay S.A.	
<b>Vietnam</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
<b>Zambia</b>	Standard Chartered Bank Zambia PLC	

\*The Royal Bank of Canada serves as Northern Trust's Sub-Custodian for securities not eligible for settlement in Canada's local central securities depository

---

## Directory

---

**MontLake UCITS Platform ICAV**  
**32 Molesworth Street**  
**Dublin 2**  
**Ireland**

**Directors:**

Cyril Delamare  
Teddy Otto  
David Hammond  
Barry Kenny  
David Tease

**Manager:**

MLC Management Limited  
23 St. Stephen's Green  
Dublin 2

**Administrator:**

Northern Trust International Fund  
Administration Services (Ireland) Limited  
Georges Court  
54 – 62 Townsend Street  
Dublin 2

**Distributor:**

ML Capital Asset Management Limited  
23 St. Stephen's Green  
Dublin 2

**Legal Advisers:**

Maples and Calder  
75 St. Stephen's Green  
Dublin 2

**Depositary:**

Northern Trust Fiduciary Services  
(Ireland) Limited  
Georges Court  
54 – 62 Townsend Street  
Dublin 2

**Auditors:**

KPMG  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5

**Secretary:**

MFD Secretaries Limited  
32 Molesworth Street  
Dublin 2